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A NEW RURAL AGENDA

EDITED BY JANE MIDGLEY

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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 reoriented.

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.

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1. Towards a new rural agenda

Jane Midgley and John Adams

In some ways the profile of rural affairs has never been so prominent. The *Rural Strategy* (Defra 2004a) and the forthcoming establishment of the Commission for Rural Communities (Defra 2006a) are the most recent of a range of reforms and activities that also include 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).

Together these measures have sharpened the policy focus on rural socio-economic issues, placing social justice – essentially improving the life chances for all rural residents – at the forefront of the Government's rural policy agenda. Despite these moves, rural policy has retained its traditional position on the fringes of other more established policy fields such as environment, agriculture and planning, with little clarity as to how rural areas fit into the broader social justice agenda. At the same time, expressed disenchantment by rural and countryside groups suggest a potential discord between rural public policy and the communities it seeks to serve. Consequently, the problems of rural areas and their communities are often separated, either by public or policy actions, from broader social and economic policy discussions; this needs to be addressed through policy reorientation.

This chapter examines the social and economic issues facing rural areas and the position of rural affairs within current public policy. We explore the rationale for rural policy, considering the relationship between rural policy and other policy areas, and assess the direction and form any future progressive rural public policy should take, focusing on the transition of rural interests into mainstream policy discussions and the need to achieve improved life chances for all and reduce the inequalities found within rural communities and between rural areas and the rest of the UK. In particular, we propose greater joint working between central government departments and Defra, including the creation of joint Public Service Agreement (PSA) targets in the forthcoming Comprehensive Spending Review and rural auditing to promote the maintreaming of rural policy, the development of a progressive vision for the second pillar of the Common Agricultural Policy (CAP), and improved connections between central and local policy (see Box 1.2 for full recommendations).

The rural context: policy challenges

At the last census, in 2001, approximately 9.5 million people lived in rural England, around 20 per cent of the total population (Countryside Agency

2005a).[1] Between 1991 and 2001 net migration into rural areas reached 100,000 people per year, rural areas gaining from metropolitan out-migration, to the extent that internal migration from urban to rural areas has outstripped north–south population movements (Countryside Agency 2003, National Statistics 2005). More recent figures show that the population growth rate of rural districts from 1993 to 2003 was 5.7 per cent, over twice the rate of urban districts at 2.5 per cent (Champion and Shepherd 2006).

As a result of this growth, rural communities have been experiencing considerable social and demographic change, characterised by marked disparities between population groups. Between 1993 and 2003 the proportion of 15- to 29-year-olds resident in rural districts fell by 12.5 per cent compared to a fall of 5.9 per cent in urban areas, while proportions of 60- to 74-year-olds grew by 6.4 per cent in rural districts and fell by 5.8 per cent in urban areas. Similar disparities were seen in the over-75 age group, which grew by 20 per cent in rural districts compared to 9.4 per cent in urban areas (Champion and Shepherd 2006).

Both natural and migratory change – in-migration of older populations and out-migration of younger groups – have caused rural communities' population profiles to contain a disproportionate amount of older residents compared to those in non-rural areas. This has wide-ranging implications for both housing and service provision, both for older and younger populations. As projections continue to predict increased population growth in rural areas above the national rates, particularly in the older age groups, it may be that rural areas and in turn rural policy may provide lessons for other areas and policy spheres in understanding the implications of such growth and for responding to an ageing society (Lowe and Speakman 2006).

Many rural areas are relatively prosperous compared to urban areas as shown by simple comparisons at national level. However, averages can conceal contrasting fortunes among different social groups within the same area. The most affluent rural areas tend to be smaller settlements in less sparsely-populated areas, such as villages and hamlets near to main urban centres. In these areas the median annual household income in 2004 was £32,000, £7,000 higher than the English median. But in the same rural category, one in six households earned less than £15,000 (Countryside Agency 2005a). This proportion rises to one in three households in the least affluent rural areas (towns in sparsely populated areas).

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1   The definition of 'rural' commonly refers to settlements with populations below 10,000. A more detailed analysis and rural definition based on population sparsity in conjunction with settlement form has been developed and used in census-ward-level analyses since 2004 (Defra 2004a). This new definition was used to develop a six-fold typology of districts (although this does not form part of the formal definition). Consequently, there will be some disparity in figures depending on the year that the data relates to and the typology used. For example, if the new formal rural definition is used, 20 per cent of England's population lives in rural areas; if the informal district-level definition is used then the figure increases to 36.5 per cent (Champion and Shepherd 2006). All data unless otherwise stated relates to rural England.

Furthermore, there are disparities between regions: in 2003 one-third of rural households in the south and east of England had incomes over £38,000 compared to around one-quarter of urban households, yet in the north and west the proportion was barely one-fifth for both rural and urban households. While 20 per cent of rural households had annual incomes below £12,000 in the south and east, below the national average of 26 per cent, the figure was 28 per cent in the north and west (Parkinson *et al* 2006).

Many rural districts, particularly in more remote areas, suffer persistent problems of relatively high rates of in-work poverty. For example, despite an overall positive change in earnings of 19.5 per cent in rural areas between 1999 and 2003, in 2003 average gross weekly earnings were £42 less in England's rural areas than in urban areas (£431 compared to £473) (Countryside Agency 2004). Over the same time period despite greater change in earnings in remote rural areas than in urban areas, by 2003 average gross weekly earnings in remote areas were still less than the rural average – by £33 at £404 – and £71 below the urban average (Countryside Agency 2004). Remote areas are often characterised by relatively low-wage local economies, dependent on a narrow range of industries that continue to face major structural adjustments with limited employment opportunities. Indeed, the poorest performing rural areas are on a par with the worst-performing urban areas (Defra 2004a).

The underlying poor state of a rural local economy is often masked by relatively high employment rates in full-time, part-time and self-employment compared to urban centres and national levels. Rural self- and part-time employment traditionally hides a range of problems, such as low incomes, under-employment and limited childcare availability (Shucksmith 2000). The sectoral breakdown of employment among England's rural residents is similar to that of their urban counterparts – in 2001, 25 per cent of rural employment was in public administration, employment and health, 23 per cent in distribution, hotels and catering, followed by 15 per cent in manufacturing. Agriculture and fishing accounted for only three per cent of employment in England's accessible rural areas, rising to five per cent in remoter districts, but in some of the poorest performing rural districts around 15 per cent of employment was in agriculture (Defra 2004b, and Defra source). So the traditional view of agriculture as the mainstay of the rural economy appears far from convincing.

Efforts to promote economic diversification and broader rural development are discussed by Lowe (Chapter 2) and Ward (Chapter 3). Such efforts are often managed through European programmes associated with the CAP or Structural Funds as well as through domestic programmes.

Creating jobs and developing the skills of the rural workforce is a key challenge for many rural areas. In 2003, one in eight rural adults lacked formal educational qualifications, compared to one in six adults in urban

England (Countryside Agency 2003). This has considerable implications for their future labour market security and income prospects as employees without educational qualifications are over three times less likely to receive job-related training than adults with a qualification. Furthermore, job-related training for those with qualifications tends to be lower in remoter rural areas compared to both their urban and accessible rural counterparts (Countryside Agency 2003). This reflects in part the local economic dependence on smaller businesses and their limited ability to provide or release staff for training. Additionally, high skills levels may not be required for certain types of employment such as seasonal work in agriculture or tourism.

Variations in income, assets and social mobility are also reflected by the disparities in access to rural housing. Throughout the UK owner-occupation levels have been increasing steadily since the 1980s, particularly in rural districts. In 2002, 86 per cent of rural households either owned or rented in the private sector compared to 77 per cent in urban areas. Only 14 per cent of the rural housing stock was available for public or social renting, and 50 per cent of rural residents would have had to commit over half of their household income to buy a house, compared to 33 per cent of urban households (Countryside Agency 2003). Access to affordable housing remains a major problem in rural areas. By 2005 the affordability of rural housing had diminished so that in some areas average house prices were up to 10 times the local average household income, homelessness continued to rise, and in smaller rural settlements only five per cent of total housing stock was available for public or social renting (Countryside Agency 2005a).

This broad picture illustrates some of the disparities to be found between rural and urban areas, and within rural areas. Many issues are noted by policymakers, yet responses have so far failed to stem the increasing social polarisation and inequalities of opportunity that are resulting not only from rural change but also from the wider social and economic processes that are transforming both urban and rural areas. Sometimes public policy exacerbates social polarisation and inequality, either through action or inaction. There are therefore considerable challenges for any progressive public policy agenda that seeks to ensure social justice and greater equity within society. Together the contributions to this book have informed the framework for a new rural agenda outlined below, which is our response to these policy challenges.

What does rural policy do? What could rural policy do?

Often rural policy is attempting to tackle social and economic pressures in separation from other policies. Sometimes it appears as an additional layer of area-based responses rather than a coherent socio-economic policy

responding to identified needs. We argue that policy should start from first principles, by identifying the problem before exploring the value of targeting specific places, groups or developing a universal response. There needs to be appreciation of the interaction between rural policy and national policy, and the fact that rural policy for rural policy's sake might not be the most appropriate or effective response.

For example, there is an argument that the most effective way to tackle poverty in rural areas is through national policy tools: the national tax and benefit system may well be a far more effective way in which to reduce child poverty than attempting a specific 'rural' response. Similar arguments for changes to the national pension system to raise pensioner incomes on a universal basis could be made. And the National Minimum Wage will have helped improve the condition of very many low-paid workers in the countryside, mostly in remote areas and in small businesses in the hotel and catering sector (see Gilbert *et al* 2001, Mason *et al* 2006). In many ways this is an obvious point, but one that is too rarely made in rural policy circles.

Consequently, we need to find an appropriate balance between the content of any specific 'rural' policy and its territorial coverage. This can only be done following greater determination of the content of rural policy and the role it performs. Indeed, greater expression of what sort of rural societies and economies we should strive to achieve is badly needed. Is an increasingly polarised rural Britain inevitable, acceptable or desirable? To reach the greatest concentrations of deprivation and exclusion it may well be easier to focus attention on urban centres, promoting the social and economic regeneration of these places and opportunities for individuals to participate in our current urban renaissance. But is it socially just that those who are experiencing similar exclusion or limited opportunities in rural areas appear a lower policy priority because there are fewer of them, or indeed that they should be considered in separation from their urban peers? Too often the current emphasis in rural policy debates is short-term, introspective and somewhat backward looking or limited in vision, ascertaining what has been lost and how to replace it rather than considering what future needs may be or the broader interrelations with other policy developments and the benefits that could be attained from these.

These debates need to happen now. The *Rural Strategy* of 2004 (Defra 2004a) presented the Government's strategic priorities for the short term (the next three to five years). We should be considering today what the next strategic rural vision should contain. Current attitudes to rural development still tend to be firmly associated with traditional sectors, focused on an agricultural base and its associated landscape value (Beckett 2006). Policymakers do not sufficiently acknowledge the declining contribution agriculture makes to rural economies, nor is there any sign yet that they will make sufficient progress with the opportunities presented by agricultural

reforms that could stimulate environmental benefits and economic growth and sustain rural communities. For example, planning reforms could provide more innovative regional and rural policy development enabling diversification of the economic base by permitting the reuse of farm buildings by new businesses totally unconnected to farming. This could generate employment, improve productivity and produce wider economic benefits rather than piecemeal developments focused on farm diversification to maintain farming livelihoods (Ward, Chapter 3).

Some opportunities for rural development presented by Europe and CAP reform may already have been missed. The current (spring 2006) consultation of the new Rural Development Programme for England (Defra 2006b) sets out the framework for EU-funded rural development for 2007-13. This is set to continue along established lines with limited change. Defra's consultation document outlines the Programme's priorities as: enhancing the environment and countryside, making agriculture and forestry more competitive and sustainable, and enhancing opportunity in rural areas. The first two priorities are anticipated to account for at least 80 per cent of programme funding, with the remainder available for providing economic and social development opportunities to rural areas.

The Programme will continue to be heavily focused on delivering measures to support restructuring of traditional land-based sectors, with the risk that the economic development needs of the vast majority of residents that have no connection to these industries will be overlooked. The English approach veers between business-as-usual and making slight, incremental reforms to rural development. This again reflects policymakers' reluctance to provide a clear vision for progressive rural development, in this instance a clear vision for the future of Pillar 2 of the CAP (rural development) as an alternative to Pillar 1 (agricultural support) (see HM Treasury/Defra 2005, Defra 2006b, Lowe, Chapter 2). Such reluctance will unfortunately impinge on, and even constrain, future rural socio-economic development strategies.

Policy interrelationships and integration

We argue that despite rural public policy's continued configuration as a distinct and separate policy area, it cannot operate in a vacuum. Advantages available from greater integration between 'rural' and other policy areas and over different policy levels risk being missed. Given the disparities noted earlier, rural affairs requires a national voice and leadership, especially for social and economic matters. Indeed, in England many will watch with interest to see how the Commission for Rural Communities (CRC) informs Defra's agenda (as rural advocate, advisor and watchdog), and how the CRC engages with other policy debates with potential rural impacts. The rural

voice has so far been constrained by the prolonged reform process initiated by the *Rural Strategy* and by departmental legacies arising from the 'unplanned merger' of agriculture and environment in Defra's creation (Bender 2002, see Donaldson *et al* 2006).

Table 1.1 shows the risk of rural socio-economic issues declining in relation to other policy priorities, as opposed to their being mainstreamed or playing an equal role to the environment within broader sustainability considerations. The proportion of Defra's resource spend on 'Natural Resources and Rural Affairs' is surprisingly small when compared to other strategic areas such as environment (11 per cent during 2002-03, expected to fall to 8.5 per cent by 2007-08). This amount dwindles further when Natural Resources and Rural Affairs is broken down further. 'Rural policy' by 2007-08 will account for just over three per cent of Defra's total spending.

Table 1.1 Defra resource budget (2002-08), £ millions

Defra resource consumption, strategic area	2002-03 outturn	2003-04 outturn	2004-05 estimate	2005-06 estimate	2006-07 plans	2007-08 plans
Environment	799	814	1,185*	1,268	1,489	1,595
Animal health and welfare	384	273	237	334	322	322
Sustainable farming, food and fisheries	180	210	220	203	182	182
Natural resources and rural affairs, of which:	493	435	369	486	478	488
Land management and rural development	*55*	*84*	*49*	*141***	*141*	*141*
Wildlife, countryside and land use	*187*	*128*	*119*	*136*	*129*	*137*
Rural policy (including Rural Development Service)	*231*	*202*	*184*	*185*	*184*	*186*
Natural Resources and Rural Affairs administration costs	*18*	*21*	*18*	*23*	*23*	*23*
Department operations	329	309	467	347	337	327
Rural payments agency	2,263	2,748	3,054	2,742	2,779	2,787
Other executive agencies	-6	-6	-2	-11	-1	-1
Total resource budget	4,442	4,784	5,530	5,370	5,587	5,701
Total capital spending	247	351	333	340	339	339
Total public spending	4,536	4,996	5,662	5,504	5,721	5,835

Source: derived from Defra (2005a)
Notes: *2004-05 and 2005-06 includes a baseline transfer from ODPM of £271m and £319m respectively for flood management purposes.**2005-06 plans include increased funding from England Rural Development Programme.

Despite Defra's strategic policy role it is difficult for it to deliver rural social and economic policy. This is a reflection of the small budget associated with socio-economic issues and the fact that other departments are responsible for delivery of services. Both the fulfilment of the *Rural Strategy*'s priorities and the achievement of Defra's only socio-economic Public Service Agreement target (presented in Box 1.1) depend on the actions and budgetary support of other departments. This is critical given the wide range of responsibilities to improve quality of life that are reflected in Defra's priorities compared to its (budgetary) power to do so.

Box 1.1 Defra's strategic priorities

Rural strategy (social and economic) priorities:
- Economic and social regeneration – supporting enterprise across rural England, targeting greater resources at areas of greatest need.

- Social justice for all – tackling rural social exclusion wherever it occurs, and providing fair access to services and opportunities for all rural people.

Rural strategy (environmental) priority:
- Enhancing the value of our countryside – protecting the natural environment for this and future generations. (Defra 2004a)

Public Service Agreement target:
- To reduce the gap in productivity between the least well performing quartile of rural areas and the English median by 2008, demonstrating progress by 2006, and improve the accessibility of services for people in rural areas. (HM Treasury 2004)

For example, Defra's aim of improving productivity is heavily reliant on the Department of Trade and Industry (DTI) and the Department for Communities and Local Government (DCLG). Their contribution to the Regional Development Agencies (RDAs) of £1,123 million for the period 2006-07 is 15 times more than Defra's £73 million for the same period (DTI 2006). The primary aim of the RDAs is to improve the economic performance of their particular region, and to 'lead responsibility for promoting sustainable economic growth in rural England' (Defra 2005a: 131).

Given the funding disparity, it is not surprising that the economic agendas of urban centres may be given precedence. Yet, many aspects of economic development are applicable to both rural and urban areas. An example is the opportunities for economic growth offered by the contin-

uing adoption of information and communication technologies (ICT) by rural businesses and those relocating to rural areas, facilitated by the greater availability of broadband; rural micro-businesses should benefit from this in particular (SQW 2005). Questions of economic integration may well come further to the fore through economic governance discussions surrounding city regional developments.

If rural affairs are to become more proactive, and the rural social justice gap reduced, a greater commitment and willingness for considering a rural dimension at the earliest stages of policy development is needed from all quarters of government. Defra does not itself deliver services such as health, education or transport; instead it focuses on 'influencing those responsible to ensure that delivery to rural residents is equitable' (Defra 2005a: 135). 'Rural proofing' was introduced following the 2000 Rural White Paper (DETR/MAFF 2000) as an attempt to reduce the inequitable and often unanticipated effects of policy on those living, working and visiting rural areas. It was a first step towards the integration of rural considerations into policy thinking and development across all central government departments.

Proofing also occurs at regional level, such as in the work of Government Offices, and is increasingly seen at the sub-regional and local level, through Local Area Agreements, for example. Yet rural proofing often happens too late in the day, with rural implications being considered more as an afterthought than as an integral component of broader policymaking. This is heightened by the distance between policymakers and those involved in delivery (CRC 2005a). This is not to say that the concept of rural proofing in itself is at fault, rather that this mechanism is not functioning as well as it should. Rural affairs need to be more prominent within other policy discussions, maintaining a presence from the earliest stages, highlighting where adverse effects on rural communities and economies may arise from a given policy measure, but also where specific adaptations to policy may be necessary to ensure that evident rural needs can be positively and purposefully addressed. Such rural mainstreaming would be enhanced if analyses of information and data across all policy areas incorporated a rural analysis to connect rural populations to broader policy concerns.

The greater integration and joint working implied by giving a new prominence to the rural dimension of policy does not guarantee equality of treatment, but could help avoid the risks that policies might produce unintended consequences in the rural domain. And the potential exists for greater support of this process across government; for example, the recent appointment to the Cabinet of a Minister for Social Exclusion should stimulate new ways of handling cross-cutting issues. Meanwhile, the Social Exclusion Unit's work, although valuable to policymakers, is

often criticised for its urban focus. Even when looking at specific groups at risk of exclusion the experiences of rural residents are rarely found in the Unit's reports. Greater co-working between the new Cabinet position, Defra, and the CRC are required to ensure that rural disadvantage is sufficiently prioritised within the Government's agenda.

The risks of strategic policy separation are illustrated by the potential implications for rural society of the Government's Public Service Reform agenda and its attempts to promote choice for individuals accessing public services. The 'choice agenda' emphasises citizen empowerment and the personalisation of service provision, such as social care, commissioned by individuals from market and quasi-market providers to respond to their needs. The functioning of the choice agenda within rural areas may be affected by a number of influences. The most obvious is the fact that the potential for markets and providers to operate across all areas varies (due to distance and population sparsity). This impacts on equality of access and awareness of potential users about the availability of services. Also, if different providers are able to enter and exit the market, there is the question of how this may create greater inequalities or instability and disruption to services (Farrington-Douglas and Allen 2005).

These broad issues are as applicable to health and social care provision as they are to education. The choice agenda holds considerable ramifications for the more vulnerable and disadvantaged within rural society. A floor standard may have to be directly provided by the public sector to address the unintended side-effects or costs produced by introducing greater personal choice that cannot be fully taken into account or assimilated by individuals or local communities (see Chapter 6). For example, research shows that the individual choices for parents around pre-school education provision in rural Scotland taken together diminished choice for other parents and children living in the same localities (Shucksmith *et al*, forthcoming). The parents' choices were based on their perceptions of quality; one element of the recent Education and Inspections Bill (published 28 February 2006) was the potential role perceptions of quality had in stimulating local authority responses to improve education provision, with possible, albeit unintended, consequences constraining choice for rural school children and parents. It is also unclear whether rurality could adversely affect the expressed parental choices of those living further away from urban centres as oversubscribed schools may take proximity into account when allocating places. This may have considerable implications: in 2004, 65 per cent of all smaller settlements in sparsely-populated (remoter) areas had none or only one secondary school within 10 kilometres. Even when all small settlements throughout England were considered, only 33 per cent had more than one secondary school within five kilometres (CRC 2005b).

The role of the Comprehensive Spending Review (CSR) system in changing the resourcing of public spending has had and will have considerable ramifications for rural communities, but rarely features in discussions about rural policy. For example, recent research exploring future services in rural England in 2015 omitted the CSR entirely from its analysis, although other components of fiscal policy were recognised (Moseley *et al* 2005). This is despite the CSR having major impacts on public spending from 2008 through to 2011 and beyond, not just in relation to Defra's budget but also in terms of many other components. Particular focal points include pensions and long-term care, of great importance given the ageing of rural populations (through natural change and migration); the funding of social housing, which is of significance given the momentum surrounding rural housing affordability debates; the adult learning and skills budget, which is important given the low pay often associated with remoter rural areas and fewer opportunities for labour market progression; as well as the impact of the CSR on future local government finance. Reforms through the CSR process offer important opportunities to move rural affairs to the centre stage and narrow the social justice gap.

Policy progression: towards a new rural agenda

Developing a robust evidence base and rural policy

This book highlights the challenges involved in articulating the distinct needs and aspirations of people who live in rural communities and accommodating rural development concerns within wider policy debates. Our promotion of rural socio-economic issues in broader policy debates is a response to the current policy framework, which distinguishes between urban and rural policy. This distinction emphasises the importance of our urban centres, particularly core cities, to regional growth, while overshadowing rural issues and hindering their integration into broader policy discussions.

A key challenge is to define what the purpose of rural policy should be in the future and there have been recent steps towards making such a definition. For example, the Government in the *Rural Strategy* has broadened debates about rural policy by developing a specific commitment to 'social justice for all – tackling rural social exclusion wherever it occurs and providing fair access to services and opportunities for all rural people' (Defra 2004a: 5). While these developments are welcome, there is still considerable scope to sharpen and improve the rationale for rural policies and their content.

Perhaps the most important challenge for rural policy is political in nature; there needs to be a stronger articulation of what needs to be done

in order to achieve the objectives outlined in the *Rural Strategy* (Defra 2004a). The development of a robust rural policy will necessitate decisions to be made about the trade-offs that may exist between different policy objectives, and may require unpalatable truths to be told. For example, the prioritisation of affordable homes building and the reuse of agricultural buildings over environmental concerns may be necessary for the sake of both rural social and economic inclusion.

The first element of a coherent rural strategy must be a reliable and robust evidence base. Defra, its agencies and the Welsh Assembly Government are beginning to develop further and better information on rural social and economic indicators. The rural evidence base is strengthened by the contributions of the Welsh Rural Observatory in Cardiff University, the Rural Evidence Research Centre at Birkbeck College and the Commission for Rural Communities' annual *State of the Countryside* reports. This is welcome, but it is unfortunate that a complementary refined rural typology is not available for Scotland to build up a sophisticated rural evidence base for Great Britain, and that other Whitehall departments are failing to incorporate a rural typology in their analysis.

The latest rural definition covers all of rural and urban England and Wales and is produced and jointly owned by the Office for National Statistics, Defra, ODPM, Welsh Assembly Government and the Countryside Agency (Defra 2004a). Therefore, it is surprising that it is not incorporated more widely into policy analysis. Key Whitehall departments, such as DH, DfES and the newly created Department for Communities and Local Government, have a major contribution to make to a robust rural policy, but until they incorporate the same rural typologies into their information gathering and analysis at an early stage it is unlikely that Defra will achieve its objective of fair access to services for all rural people, or that rural proofing actions will be held more readily to account. Defra naturally has the chief responsibility to ensure Whitehall understands the rural dimension, and integrates it into its work, but this is no easy task.

Defra's PSA targets

Since 1997, the Labour Government has institutionalised the process of setting priorities for spending and for the targets in relation to outputs and outcomes that those resources are geared towards achieving. This 'Spending Review' process has taken place every two years since 1998, but the 2006 Spending Review was delayed for 12 months in order for the Government to take a 'zero based approach to assessing the effectiveness of Departments' existing spending in delivering the outputs to which they are committed' (Browne 2005). The 2007 Comprehensive Spending Review will therefore offer the opportunity to have a thorough debate about the medium term

spending choices facing the current Labour Government and its priorities for public policy.

The agreed target in the 2004 Spending Review between Defra and the Treasury, known as a Public Service Agreement (PSA), is contained in Box 1.2 (HM Treasury 2004). It is noticeable that the only one specific target with measurable outcomes relates to productivity in rural areas (discussed more broadly in Chapter 3). While public services are referred to in the target, there are no quantifiable targets that have the weight of being a headline PSA target. Furthermore, in our view the PSA focus on productivity reduces the emphasis on employment, and puts insufficient weight on the key social justice challenges of eradicating in-work poverty, securing opportunities for progression at work and ensuring fulfilling employment for all.

On average, rural areas experience lower levels of poverty than urban areas (Chapter 5). Surprisingly, rural policy debates rarely give specific mention to the Government's headline target to eradicate child poverty by 2020, and as part of that objective to halve the number of children in relative low-income households between 1998/99 and 2010/11 (HM Treasury 2004, Giddens 2005). Logically, if this target is achieved we will also help eradicate child poverty in rural areas as many of the policy tools that can help achieve this objective are in the hands of national institutions, most notably the tax and benefit policies that channel more resources to families, such as the working families tax credit.

Unfortunately, there is as yet no specific evidence on the success of take-up in rural areas. However, there is still a distinct rural dimension to poverty, namely the high proportion of rural residents in *in-work* poverty (Milbourne, chapter 5). Furthermore, it is becoming increasingly recognised that the child poverty target needs to be better integrated with policy areas such as childcare, school education and health provision. The DWP and the Treasury can successfully tackle income-related poverty, but they need other parts of Whitehall to engage in the agenda to eradicate child poverty, as broadly conceived. Therefore, it is important to ensure that the rural dimension is fully accounted for in the headline child poverty target, possibly the most important and challenging target any Government has ever committed to. It would make sense if Defra, the DWP and the Treasury agreed to halve child poverty in rural areas between 1998/99 and 2010/11 to ensure that poverty in both urban and rural areas is reduced in tandem.

Pensioner poverty is also a particular problem in rural areas (Milbourne, Chapter 5). However, it is not clear that there needs to be a specific policy tool to tackle pensioner poverty in the countryside. Pension policy has become one of the major political issues in the first few years of the 21st century, as reflected in the recent Pensions White Paper (DWP 2006). The

Government has made significant progress in tackling pensioner poverty since 1997, with the Pension Credit providing protection for the poorest pensioners. This record looks set to be continued following the Pensions White Paper proposals and the decision to link future increases in the Basic State Pension with earnings rather than prices, which will do much to protect the position of people in the lower socio-economic groups (DWP 2006).

Furthermore, there is a strong element to a broader strategy to tackle social exclusion amongst rural pensioners. A disproarationate and increasing number of older people reside in rural areas; this has implicatiosn for public service reform, the availability and form of service provision, and broader quality of life issues (Lowe and Speakman 2006).

ippr has previously recommended that the Basic State Pension should be increased to the level of the Pension (Guarantee) Credit, which would reduce means testing and could almost eliminate pensioner poverty (Brooks *et al* 2002, Robinson 2005). Furthermore, there is also a strong rural element to a broader strategy to tackle social exclusion among pensioners. A disproportionate and increasing number of older people reside in rural areas; this has implications for public service reform, the availability and form of service provision, and broader quality-of-life issues (Lowe and Speakman 2006).

Perhaps the highest profile issue in rural policy at the time of writing is affordable housing. It was judged a sufficiently high political priority that a commitment to establish an Affordable Rural Housing Commission was made in the 2005 Labour Party Manifesto (Labour Party 2005). The Commission produced its final report in May 2006 (ARHC 2006). In their contribution in Chapter 7 – written prior to the publication of the Commission's report – Monk and Ni Luanaigh anticipate some of the Commission's recommendations. The problem of rural housing affordability will not be tackled with a sterile debate about housing allocation numbers – rather the solution lies in increased provision of socially rented and intermediate housing. But as the Commission and Monk and Ni Luanaigh argue, it is not clear that the Government's proposals to increase the supply of social or intermediate housing are sufficiently well funded to create sufficient amounts of new affordable housing.

However, the Commission seemed somewhat optimistic about the potential for cross-subsidy to subsidise the greater provision of social rented and intermediate housing. As Monk and Ni Luanaigh argue, attempts to improve affordability through planning gain mechanisms (delivered by building social housing as part of market housing developments) achieve relatively small returns over a long time period. Other mechanisms, such as the Planning Gain Supplement proposed in the Barker Review, remain on the drawing board. It is also important to note

that the problem must be solved through greater provision of social and intermediate housing in all rural settlements, not just market towns. This is advantageous from a social justice perspective, as it would encourage mixed and sustainable communities.

One difficult aspect of the current PSA target relates to the provision of public services, mostly because Defra does not itself deliver rural services, but relies on other Government departments and agencies to do so. The current PSA target contains no details of what Defra plans to achieve in improving the accessibility of services for people in rural areas. Defra's technical note contains an elaboration of the Department's understanding of the PSA target and how progress against it might be measured. Interestingly, the indicators attempted to include more than just the accessibility of services: the Technical Note also selected a basket of PSA targets that related to other Departments and committed Defra to ensuring that the improvement of the delivery of these selected services 'should be as good in rural areas as it is in urban areas' (Defra 2005b).

The basket consists of nine PSA targets, many including sub-clauses and drawing on a range of different indicators. It appears as if the indicators have simply been meshed together from existing government strategies rather than being a systematic collection of issues that are particularly important for rural areas. For example, drug rehabilitation and access to mental health services are part of the basket, but waiting times for hospital treatment is not. Young people not in education, employment or training, children's services and childcare are included, but attainment in schools is not (Defra 2005b). It is unclear why the majority of PSA targets would not be deemed relevant for people in rural areas, nor why the PSA targets that related to other departments could not be jointly agreed with Defra, to ensure equity in service improvement across all populations and areas.

In view of the poor understanding of issues surrounding the levels of public services in rural areas, future PSA targets need to include an obligation to publicly report on progress, thereby informing the public debate on this important issue. As part of the Regulatory Impact Assessment, the Treasury includes a rural checklist and requires all departments to rural proof their budget assessments to ensure that PSAs can be met only if they are implemented in rural and urban areas. A further step would be for the actual public spend to rural populations to be made available for each department. We do not underestimate the problems that such a requirement would pose for statisticians in central government, but such a PSA 'audit' target would concentrate minds and ensure that officials improve the publicly available data. Such an audit would have to be connected to the delivered outcomes and so a strategy of linking the audit to PSA targets, especially where they involve more

than one department, would be appropriate, promoting strategic integration over and above rural proofing.

Aspects surrounding the governance of rural areas run through most of the chapters that follow. Woods provides a detailed overview of rural governance in Chapter 9, while other contributors explore the cross-cutting nature of rural governance. The creation of Defra was a substantial change in the governance of rural affairs, but now ways need to be found to improve and develop the momentum behind rural policy.

Defra has to make rural affairs, and the social and economic issues these encompass, a higher priority in order to successfully mainstream the rural in public policy. Adoption of jointly agreed cross-cutting PSAs would be a further important step in integrating rural issues and needs into mainstream policy.

Rural policy has been subject to considerable reform in recent years, most notably with the separation of policy development from delivery, and the separation of policy development from rural communities. This is exemplified by the process commonly referred to as modernising rural delivery after the *Rural Delivery Review* (Haskins 2003). The 'Haskins review', as it is generally known, made recommendations to simplify and improve the effectiveness of rural policy delivery, separate policy development from delivery, devolve delivery to more local levels and co-ordinate delivery through Government Offices for the Regions. It is evident that there is little appetite for further change, so we consider how existing institutional structures inform rural policy and could be developed further.

The importance of national leadership for rural affairs is significant but so too is the greater involvement of rural citizens and communities in the decisions that affect their localities. This is typified by what have been termed the 'new localism' and 'double devolution', in which the emphasis is placed on neighbourhood level empowerment (Miliband 2006). Yet, how can greater democratisation at the local level occur so that all interests and needs within communities can be expressed, acknowledged and represented?

The limited participation in parish council elections, at the lowest level of local government, and the diverse range of capabilities and competencies that parish and town councils (and their equivalents) possess or wish to be involved in, have implications for both social justice and good governance (Woods, Chapter 9). The potential pitfalls of the 'business as usual' approach are illustrated by the parish planning process. Through communal consultation, parish plans are supposed to articulate the future needs of the community to Local Authorities and sub-regional

partnerships to inform community strategies. Yet, communities rarely state their service or housing needs without external encouragement (usually through Rural Community Councils who also administer this process on behalf of Defra).

This process risks misallocation and non-allocation of resources to meet current and future needs. It also highlights how limited awareness of needs within a community – or acknowledgement of disadvantage and exclusion, worsened by lower levels of community group participation by socially excluded groups in rural areas than non-excluded groups (see Chapter 5) – may impinge on the success of localism and double devolution within rural communities; this is exacerbated by the social and physical distance that may occur between people in rural communities and areas.

Where parish plans have assisted disadvantaged residents, this is due to disadvantage being stipulated as a key funding application criterion (Countryside Agency 2005b). Consequently, Defra's recently introduced Rural Social and Community Programme, which seeks to stimulate local responses to social exclusion, may be successful in its aim, but may only partially address rural social exclusion as this requires not just that social exclusion is recognised in local areas, but also that there are sufficiently strong local partnerships in existence or that are created to respond to exclusion.

The implication is that there may well be room for parish and town councils to take an expanded role in service delivery, particularly if district and county councils are merged into one tier of local government. But rural communities will need convincing that public sector delivery organisations that become larger and more remote, such as Primary Care Trusts and the planned police force mergers, can successfully respond to their needs (see Chapter 6). Nor is it a given that parish and town councils will wish to take on responsibility for service delivery. At the moment we cannot ignore the need for continued national oversight to ensure that all members of society are empowered and that the more vulnerable groups are not disenfranchised from local actions as a result of any inequalities that may result from greater devolved delivery.

This leads us to issues regarding the connections between policymaking, policy delivery and rural communities. The delivery of rural policy is increasingly being discussed and reviewed at the regional level (by Government Offices and RDAs), particularly through the development of the new regional rural delivery frameworks during 2005 (see Haskins 2003 and Defra 2004a). However, regionalisation has meant that accountability is unclear, as is the extent of vertical and horizontal integration in the policy process. A serious risk remains that only the larger and/or more professionalised rural interest groups are able to take part

independently in national and regional policy debates. This strikes at the very heart of aims to create a socially just and inclusive rural society.

Regional Rural Affairs Forums (RRAFs) have been established in England to give voice to rural interests, informing policy decisions at both regional and national level (the latter through quarterly meetings with the Minister for Rural Affairs). But the size of RRAFs varies markedly in the different regions from around a dozen to 200 members. While this may reflect different regional approaches to consultation and prioritisation, it

Box 1.2 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 that of 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 through a rural audit. 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 just confined to the larger and more professionalised rural interest groups.

raises concerns as to which constituencies are being under- or over-represented by members (particularly if the larger and/or more professionalised groups are also RRAF members), the extent to which some interests may be disproportionately represented in policy debates, and whether experiences are being represented first-hand or mediated fifth-hand. RRAFs have a potentially important part to play as the connective mechanism in central–local relations and in mainstreaming rural issues at the regional level, but they will need to be adequately resourced to carry out their ambitious functions. This first requires issues surrounding their accountability to be resolved.

Conclusion

This chapter has focused on the need for social and economic issues in rural areas to be given greater policy attention, placed at the forefront of rural affairs policy and mainstreamed throughout other policy areas. It starts the debate about the future content and shape of rural policy. Our recommendations are outlined in Box 1.2.

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2. European agricultural and rural development policies for the 21st century

Philip Lowe

Although agriculture remains the predominant land use in rural Europe, it no longer dominates socially or economically. The sector accounts for only five per cent of employment and even plays a minor role in rural employment and the gross domestic product (GDP) of rural regions (European Commission 2005). Nevertheless, the Common Agricultural Policy (CAP) still accounts for just under half the European Union's (EU) annual budget. Whereas agriculture remains a strategically significant policy sector and is the major force determining the rural environment, most rural areas rely, to a diminishing extent, on farming.

Rural change in contemporary Europe

The economic functions of rural areas have changed considerably in recent decades. There has been an inexorable decline in primary sector employment, traditional rural industries have been squeezed, and new industrial and service activities have emerged. In some regions, particularly across southern Europe and in coastal and mountainous areas, tourism has come to play a key role in maintaining rural livelihoods and landscapes. In addition, the expanding leisure demands of modern society provide significant development options for rural economies (OECD 1998).

From agricultural to rural policy?

Public priorities for rural areas have struggled to keep pace with these dramatic changes. In agriculture, the imperative to expand production has been replaced by requirements to curb over-production, to become more consumer-orientated, to move towards world market prices and to integrate environmental protection into farm supports. Reform of agricultural policy has, in part, been driven by a recognition of the changed political and economic context for European agriculture, and also a desire to open up the agricultural sector to international competition.

At the same time, as rural areas have come to fulfil other functions, so other public policies (apart from agriculture) have impinged on rural areas, and governments have been drawn in to a field of intervention – known as rural policy – concerned with the social, economic and environmental wellbeing of rural areas and their populations. As a deliberate focus of activity, rural policy has emerged as a counterpoint to, and at the intersec-

tion between, other established fields – agricultural policy, environmental policy and spatial planning policy.

A continent of socio-economic and environmental diversity

Because of the socio-economic and environmental diversity of Europe's rural areas, there is no single, overarching problem for rural policy to address. In the past, the broad parameters of what constituted 'rural development' seemed easier to agree and tended to be defined in terms of modernising agriculture and rural services in order to catch up with urban standards. Admittedly, this perspective did not satisfactorily encompass those many areas with degrees of dependency on other sectors, such as forestry, mining, fishing, tourism or traditional industries. In recent years it is increasingly agreed that the sustainable development of rural areas should build upon and conserve their intrinsic qualities and assets (van der Ploeg and Long 1994). So what may be required in one rural locality may differ sharply from the prevailing needs and opportunities in another. As a result, what is understood to constitute rural policy varies across Europe (see Baldock *et al* 2001 for a review). The common feature is a certain perspective – one that cuts across sectoral concerns and has a territorial orientation.

Key principles for policy reform and formation

Certain principles have also come to the fore in guiding the reform of agricultural policy and the elaboration of territorial policies for rural areas:

- First, markets should largely determine the income that farmers receive from growing crops and raising livestock (with a basic level of support retained for emergency or unusual conditions).
- Second, farmers should receive sufficient support for the environmental management functions of agriculture.
- Third, rural development should be given greater promotion, to assist in the economic adjustment of rural areas and to help improve rural incomes and employment.

A shift in focus

As rural areas come to be valued less for their food-producing role and more as places to live and work, and for the environmental functions that they perform, there is a shift in the appropriate locus for policy intervention and governance. This is often portrayed as being from a sectoral to a territorial orientation and from a European to a national and local focus, as illustrated in Figure 2.1.

The European and international dimensions predominate regarding agricultural trade policy. Here the EU is, and should remain, the competent authority: ensuring an open, competitive market for food within Europe,

Figure 2.1: The spatial and subsidiarity dimensions of agricultural and rural policy

Agricultural trade policy

Rural environmental management

Rural socio-economic development

European and international focus

National and local focus

Sectoral orientation

Territorial orientation

Source: author
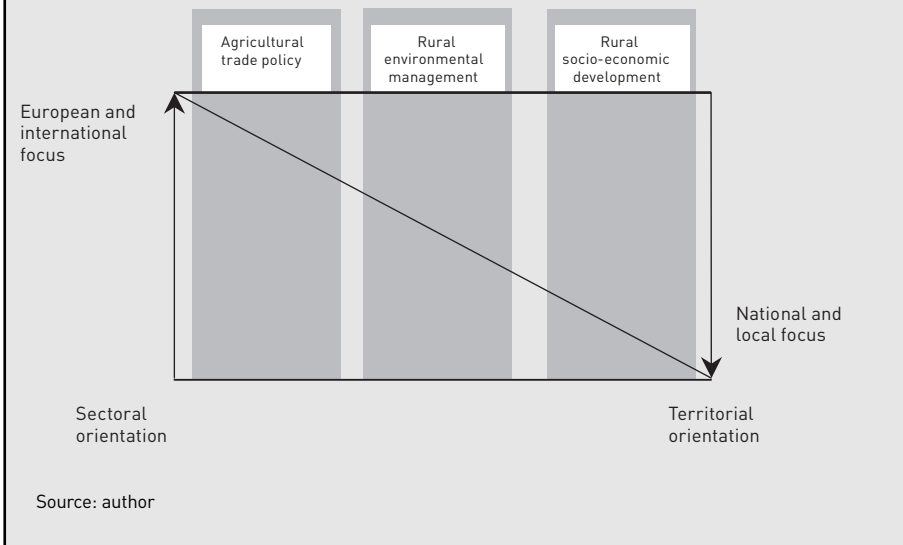
preventing unfair competition between member states, safeguarding the interests of consumers, animal welfare and developing countries in food trade, and attending to Europe's food security. However, regarding territorial policies, the focus shifts towards national and local levels.

For a great deal of rural environmental policy, there is shared competence between national and European levels, reflecting the fact that nature and environmental processes transcend national boundaries. The EU sets broad frameworks that identify common objectives but member states essentially decide how to pursue them. Given that nearly half the land surface of the EU is farmed, it is inevitable that agriculture is an object of much EU and national environmental policy.

The focus shifts again for rural socio-economic development, largely to the sub-national level. Rural disadvantage, say, in the inadequacy of labour markets, local services or infrastructure, is experienced at regional and local levels. The EU dimension here is essentially a broad backstop concern for social and economic cohesion – to ensure that lagging regions and marginalised social groups are not further disadvantaged by European integration, but benefit from it. Across much of rural Europe, however, local administrative, business and voluntary structures are fragile or ill-developed, which constrains the scope for realising territorially orientated measures and objectives (Terluin and Post 2002). A major preoccupation of rural policy therefore is with the building of local capacity for rural development (Ray 2000).

Dominance of agriculture

While Figure 2.1 may depict the ideal division of responsibilities, in the past – and still today – territorial policies for rural areas are overshadowed by agricultural policy; furthermore, agricultural policy is cast exclusively as an EU (supra-national) competence. The trajectory from a sectoral to a territorial orientation is therefore one that inevitably pitches local and regional tendencies and forces against centralised structures, procedures and institutions, and rural and environmental concerns and interests against dominant farming-centric perspectives.

There has been, and continues to be, an over-emphasis on the role of agriculture in rural development, which the CAP has perpetuated, with damaging consequences in terms of the over-intensification of agriculture (and resultant damage to the rural environment), economic over-dependence of rural areas on agriculture and ill-adapted rural economies. Rural economic development is both constrained by the weakness in the institutional capacity and social capital of rural areas that top-down production policies have caused, and hampered by the conservative forces that argue for the maintenance of the status quo with respect to the CAP.

These forces of change and conservatism cut across, and are beginning to undermine, a set of state-orientated national interests that, in the past, demarcated the boundaries for reform of the CAP. The political and economic importance of agriculture varies considerably across Europe. National governments have tended to fall into one of two camps: favouring either economic liberalisation or protection of agricultural market supports. Their allegiance depends upon whether their essential national interest in agriculture is that of a key export sector or as an important domestic sector that helps maintain rural areas, and whether they are net financial beneficiaries or funders of the CAP (Lowe *et al* 2000, Thurston 2002).

The impasse between these different national interests has often left efforts to reform the CAP in stalemate. So far, the relentless decline in the economic importance of agriculture has not dislodged its political hegemony. However, the diversifying functions of rural areas are subverting the terms of the debate. At the same time, a broader range of groups beyond agricultural ministries, farming unions and the European Commission's Agricultural Directorate are taking an interest in the reform of agricultural policy because of its impact on a wide range of policy areas, including the EU's budget and finances, external and trade relations, EU enlargement, public health and the environment.

The ten new member states of central and eastern Europe bring their own set of imperatives to the table, including improved levels of support for their farming sectors, investment and modernisation, the development of food processing and marketing, support for rural development, and a fair share of the CAP budget (Institute for European Environmental Policy

2005). Externally, there are mounting pressures on the EU within international trade negotiations to eliminate export subsidies and dismantle the tariffs that restrict the access of agricultural imports into the European market. There is now a real possibility that the deadlock over CAP reform may be broken. It is therefore vitally important that Europe's rural areas are better equipped to survive and prosper in a world in which they are not cocooned in the CAP.

Reform of the CAP

The CAP has been criticised from a number of perspectives: cost to taxpayers and consumers, protecting inefficient production and inhibiting innovation, distorting international trade, damaging the economies of developing countries, and encouraging intensive and environmentally damaging production systems. These criticisms were addressed to a greater or lesser extent in the Agenda 2000 reforms (initiated in 1998), which recognised the damage caused by subsidising agricultural production and began a phased reduction in supported prices, compensated by direct payments to producers.

The concept of a CAP of two pillars was also introduced: Pillar I – traditional agricultural subsidies and support; and Pillar II – helping farmers adapt to new economic circumstances or paying them for the delivery of a range of environmental 'public goods'. Pillar II took the form of a new Rural Development Regulation. The rhetoric surrounding this regulation emphasised decentralised, participative delivery, and a territorial and multi-sectoral focus, contrasting starkly with the dominant instruments of Pillar I. Although Pillar II was the forward-looking element, it only accounted for about 10 per cent of the CAP budget.

In 2003, as part of the mid-term review of the Agenda 2000 reforms, European agricultural ministers agreed further changes to make the CAP more consistent with the EU's aspirations for greater liberalisation of world trade and to secure progress in World Trade Organization (WTO) negotiations. At the core of the 2003 reform agreement is the notion that the direct financial supports received by EU farmers under Pillar I should be largely decoupled from what they produce and combined into a new Single Farm Payment. This separation of direct aid from production should improve the overall market orientation of agriculture and encourage farmers to make the most of market opportunities.

However, the rationale for the direct payments to farmers, initially through individual commodity regimes but now through the Single Farm Payment, has never been clearly articulated. The result is confusion about what Pillar I is for. In arguing for a shift in the direction of CAP support from subsidising production towards paying for the delivery of public ben-

efits, it is important to give careful consideration to the purpose of the new decoupled farm support.

Different member states and interest groups place different emphases on what the objectives of Pillar I might be. Four possible rationales can be identified (Agricultural Advisory Group 1999):

1. *Compensation payments*, which offset the losses producers suffer as a result of a change of policy direction. These would seem appropriate where producers had been encouraged to make investments on the realistic assumption of the continuation of the status quo. Ideally, compensation payments should be commensurate with the losses experienced.
2. *Economic adjustment aids*, where assistance is given to businesses or workers to facilitate the movement of resources into new uses, in response to changed market conditions. The intention here is to incentivise and equip individuals and organisations to adapt to structural change.
3. *Social assistance payments*, where payments are made in order to achieve equitable provision of social welfare for workers in different sectors and regions.
4. *Public-good payments*, where spending is used to support and stimulate the provision of valued public goods that would otherwise not be produced. The supply of public goods, such as wildlife habitats, landscapes, natural resources, biosecurity, cultural heritage and rural infrastructure – on which society and a range of industries depend – cannot be rewarded by normal market mechanisms.

Under the first two rationales – which seem appropriate for Pillar I – payments should be finite and time limited. Otherwise they threaten to perpetuate the dependency and distortion that they were intended to overcome. However, the Single Farm Payment is currently open ended and there is no agreement to reduce it progressively over time, to encourage the transition to a new policy position. The payment is also not very effective as an economic adjustment aid because it does not target the farm workers, small farmers, tenant farmers and those in the agricultural supply and processing industries who bear the brunt of shifts from production to land-orientated payments (Harvey 2004, Thurston 2005).

The European Commission has suggested instead that the justification for Pillar I is in providing a basic income support to farmers (the third of the rationales above). However, the Single Farm Payment is not an effective means to support income. In general, policies designed to support farmers are inefficient in boosting farm household incomes; too much of what is given out ends up being paid to agricultural suppliers and landlords. The

Single Farm Payment is also not based on any definition of income 'need': instead it is either linked to historic levels of support or is paid according to how many hectares of eligible land a farmer controls, so the greater the assets, the higher the level of payment. In consequence, the Single Farm Payment channels funding disproportionately to the wealthier farmers and more prosperous agricultural areas (Shucksmith *et al* 2005).

The justification for supporting farm household income in general across the EU does not seem compelling. In most member states, farm households have incomes that are typically similar to or higher than the average (Eurostat 2001). In certain member states, such as Portugal, most agricultural households are relatively poor, and in some of the new member states, such as Poland and Lithuania, significant numbers of farmers operate at a semi-subsistence level. Lifting those groups out of poverty requires targeted long-term investment aimed at developing diverse employment opportunities and building rural infrastructure and services.

However, the Single Farm Payment does not target these poorer farmers or regions for which agriculture is still a vital means of ensuring the social cohesion of rural areas. On the contrary, central European farmers receive only a quarter of the payment rates of their richer and more fortunate western counterparts, although this proportion is set to rise. One must conclude that the Single Farm Payment is an inefficient, expensive and inequitable means of supporting the incomes of its recipients. Farm income problems would be better dealt with by other means: by risk management tools such as crop and income insurance, where the fundamental problem is income fluctuation; and by schemes to improve business performance, diversify farming activities or help people to leave the industry, where the fundamental problem is that incomes are inadequate (Institute for European Environmental Policy 2006).

The fourth rationale above – public-good payments – does provide a long-term justification for continuing payments, rather than production subsidies, to farmers. It recognises farming's role in forming a favourable rural environment. An important implication, however, is that this is not an entitlement and must be related to the public goods provided. This is the key justification for Pillar II. However, farming unions refer to the Single Farm Payment (Pillar I) as a basic land management payment to reward farmers for the management of the countryside. But the decoupled Single Farm Payment is not linked to any requirements to actively farm or manage the land. Nor is it subject to the delivery of any land management or environmental objectives, but is merely conditional on compliance with basic legal requirements not to damage the environment.

It is therefore not possible to identify any robust long-term justification for the Single Farm Payment – further reform before the end of the current budgetary period in 2013 is highly desirable. In fact, the Single Farm

Payment came about as a necessary compromise to secure the primary objective of the negotiations surrounding the mid-term review: decoupling of CAP support to put the EU in a strong negotiating position to achieve further progress on the liberalisation of international trade through the WTO. To comply with WTO rules and to achieve Millennium Development Goals, developed countries now have to remove agricultural supports that are trade distorting and not targeted at the delivery of social and environmental benefits. All public payments to agriculture should be transparently targeted at overcoming market failures and delivering public benefits. Increasingly, therefore, the focus should be on Pillar II of the CAP and the transference of funding from Pillar I.

Rural policy within the CAP

Since its inception in the early 1960s, the chief policy instruments of the CAP (under the so-called Guarantee Section of the European Agricultural Guidance and Guarantee Fund or EAGGF) have been a mix of centrally designed market stabilisation and support mechanisms for the major agricultural commodities produced by Europe's farmers: the so-called Common Market Organisations or CMOs (for cereals, beef, sheep meat, dairy products, olives and wine). Budgeted on an annual basis, the CMOs have accounted for the large majority of CAP annual spending (even from 2000 to 2006, the proportion is 85 per cent), which is compulsory and fully financed by the EU.

Since the early 1970s there have been other CAP measures, funded under the Guidance Section of the EAGGF, used largely to promote structural adjustments in agriculture, as well as to support the processing and marketing of agricultural products. The Guidance Section allowed for multi-annual budgeting by the member states and its structural measures were voluntary and only part-EU funded. Nevertheless, the measures were still specified in considerable detail within EU Regulations, so that their application was relatively standardised across the European Community.

Less Favoured Area (LFA) aid, introduced in the mid-1970s, was the first general instrument for geographically targeted support, and it focused largely on upland and mountainous areas. In the 1980s, measures were added to promote farm and rural diversification and to support environmentally beneficial farming; these were subject to territorial zoning. However, these more territorially sensitive measures remained marginal to the CAP as a whole, in both financial and institutional terms.

Towards greater cohesion and integration?

With the creation of Pillar II of the CAP, in the form of the Rural Development Regulation, the European Commission and the Agricultural

Council signalled their acceptance of an increased significance for territorially based policymaking and delivery. The regulation brought together a range of existing CAP measures, in principle creating the opportunity for a more coherent and integrated approach. The measures included support for structural adjustment of the farming sector, support for farming in Less Favoured Areas, remuneration for agri-environment activities, aid for investments in processing and marketing, forestry measures, and aids for the adaptation and development of rural areas. In bringing together all these forms of aid under a single menu, to be delivered via multi-annual programmes formulated in Rural Development Plans, drawn up at the appropriate geographical level, the Rural Development Regulation presented, for the first time, a coherent, alternative operational model to the CMOs, within the CAP. Furthermore, in broadening the geographical applicability and the potential eligibility for funding of these measures, there was the possibility for non-farmers and non-agricultural activities to access CAP supports.

Progress is hampered

Unfortunately, the Rural Development Regulation has failed to live up to the grand vision projected for it. A major limitation has been the small EU budget for the regulation in relation to the total CAP and Structural Funds budgets because there has been no major shift in resources between Pillar I and Pillar II. Also, the individual EU allocations made to member states under Pillar II were based on past levels of spending on the various predecessor measures. By avoiding any attempt to adopt alternative, more needs-based criteria, the EU allocations effectively constrained the scope for introducing new policies and schemes.

With little, if any, additional resources to accompany the advent of Pillar II, officials working in agriculture ministries in most member states saw few opportunities to even alter the balance of funding between measures, let alone develop new policy approaches or initiatives. Instead, they were inclined to continue to operate the same schemes or policies as they had done before. As a result, in most countries, the preparation of the Rural Development Plans became little more than a repackaging exercise. Certainly, the opportunity was not taken to forge a new direction for rural policy as something other than the subordinate of agricultural policy. For example, with less than 10 per cent of the resources under Pillar II (less than one per cent of the total CAP budget) going on Article 33 ('adaptation and development of rural areas') and with little of this going to support non-farmers or non-agricultural activities, very little contribution is being made to real rural diversification.

Limitations in implementing the Rural Development Regulation resulting from financial constraints have been compounded by an inherent insti-

tutional conservatism within the structures surrounding the CAP, which have acted against the adoption of a fresh approach to Pillar II. The CAP has always been a strongly hierarchical policy. Traditionally, the emphasis of institutional effort has been on centralised audit, policing and control of support, rather than positive or creative action. In the past, little discretion was offered to the national and sub-national officials charged with implementing the CAP (in contrast, for example, to European environmental or cohesion policies).

However, the same agricultural officials have now been given the task of delivering the new Rural Development Plans in a devolved and locally adaptive way, in order to foster innovation from the 'bottom up' and to tailor policy instruments and delivery processes to local needs and opportunities. The officials are not used to operating in ways that require such initiative and judgement, and added to this, the EU planning and control systems in which they operate have continued to offer them little encouragement to do so. Just as the funding allocations at an EU level have been backward-looking, so too have been the rules and procedures governing the new programmes. Despite the official rhetoric promoting decentralisation, Pillar II's accounting and funding rules have been conservative and incipiently centralising (Dwyer *et al* 2002, Arzeni *et al* 2002).

There are exceptions to this picture of institutional conservatism – for example, in novel agri-environment schemes (WWF *et al* 2005) and particularly in the local partnerships for 'bottom-up' rural development-funded (outside the mainstream CAP) under the LEADER programme (Ray 2000, Swales *et al* 2006). The UK and France also overcame the budgetary constrictions on the Rural Development Regulation by using their national discretion to shift a small but significant proportion of the farming subsidies available to them from Pillar I to Pillar II. This allowed them much greater scope to innovate with the new regulation (Lowe *et al* 2002). The subsequent failure of the ambitious French programme of sustainable development contracts for farmers (the *Contrats territoriaux d'exploitation*) showed the limits of an administratively prescriptive, land-based approach to rural development (Simpson 2005).

Pillar I continues to dominate

Elsewhere, the implementation of Pillar II in the 2000–2006 programming period has been marked by a general timidity which, unfortunately, has circumscribed the expectations of what might be achieved. Thus, the mid-term review of Agenda 2000 and the EU budget deal of 2005 saw no large-scale shift of resources to Pillar II for the 2007–13 budgetary period – the bulk of the additional resources will go to the new member states. Pillar II will therefore remain dwarfed by Pillar I for the foreseeable future, unable to move away from the CAP's overriding preoccupation with farmers and agriculture.

Agreed in September 2005, the new Rural Development Regulation differs relatively little from its predecessor in its collection of measures and overall scope. It contains new provisions aimed at strengthening the strategic aspects of planning and programming – most notably the move to fund all rural development programmes from a single, bespoke fund – these will make the tasks of oversight, and central audit and control simpler within the European Commission. However, the new regulation does little to increase simplification, integration and local flexibility in the delivery of programmes, and it is unlikely to make a significant contribution to the diversification of rural economies.

The diversifying countryside: beyond the CAP

The weakening social and economic significance of agriculture and the growth of environmental and leisure demands have encouraged interest in the notion of a diversified countryside that serves more than food-production functions. However, the opportunities for diversification are regionally and locally distinct. Thus, in the shifting functions of rural areas – reflected in changes in agricultural and planning policy, and differing regional social and economic structures – the countryside is increasingly differentiated, demanding an equally differentiated policy response (Murdoch *et al* 2003, Ward *et al* 2003).

The emphasis in national and European policy has been on farm diversification. However, it is evident that rural economies have been diversifying for decades; and that such diversification has rarely relied on officially driven programmes that promote farm diversification. Indeed, contrary to the standard rhetoric that farmers need to diversify to strengthen the rural economy, it is more the case that the scope for farm diversification relies on the strength of the wider rural and regional economy around them.

By 2004, almost half of all farms making returns to the UK Government were recording some form of diversified activity. Many of these have been close to farming – alternative crops, agricultural contracting, and farmhouse bed and breakfasts. Such funding schemes help many farmers to stay in mainstream agriculture, rather than to fundamentally reorient their business.

Most diversification and growth in rural economies has come from the following drivers (Countryside Agency 2003):

- Growing counter-urbanisation – recent years have witnessed over 100,000 more people per year living in rural England. In-migrants to rural areas boost demand for rural services. They are also a significant force in the establishment of new businesses in rural areas.
- Relocation of firms, sometimes professional services or manufacturing enter-

prises, to converted barns and estate yards, but also into large, purpose-built warehousing and industrial sites close to major infrastructure networks.

- Growth and diversification of existing small rural firms, aided by the expansion of communication technologies to sell into national or overseas markets.

Indirectly farm households can benefit more generally from the growth of the wider rural economy, largely through the opportunities for additional sources of income outside of farming. Multiple-income sources for farm households – so-called pluriactivity – are now a widespread feature of British and European agriculture. Indeed, most farm households are not exclusively dependent upon agricultural production for their incomes. Across the EU, between one third and one half of total farm household income comes from outside agriculture (Eurostat 2001).

Furthermore, income sources from off the farm are of much greater significance than non-agricultural income generated on the farm; this is through conventional farm enterprise diversification activities such as farm tourism (Commission of the European Communities [CEC] 1992). The implication is that to diversify farm household incomes, the most appropriate strategy is to stimulate diversification and economic growth in the rural economy. With the prosperity of farm families increasingly becoming dependent on the rural economy, and with the rural economy, in turn, less and less dependent on the performance of an agricultural sector increasingly integrated into global markets, it follows that the focus of intervention to promote rural development and employment should be the rural and regional economy and not the agricultural sector. Indeed, the most pressing problems lie with those localities where the rural economy is too narrowly dependent upon agricultural production.

Conclusions

As part of the EU budget settlement of 2005, the European Commission was charged with conducting a full and wide-ranging review of all EU spending, including the Common Agricultural Policy, and to draw up a report in 2008/09. It remains to be seen whether the opportunity will then be taken to reorientate the EU budget away from farm subsidies, towards measures intended to stimulate economic development. There will be powerful and legitimate pressures to transfer greater resources to the new member states, who are now critical arbiters of the political acceptability of alternative futures for rural areas.

The CAP is – and will continue to be – an important EU policy, but its pre-eminent position in the EU is an anachronism. The balanced territorial development of the European Union is a vital consideration, to ensure

social cohesion and the sustainable management and protection of the environment and natural resources. Thus, there is a legitimate EU interest in rural policy that needs to be strengthened, following EU enlargement and the incorporation of many poor rural areas across Central Europe and with the prospect of major cuts in agricultural tariffs within the continuing world trade talks.

Recommendations for the CAP

To reflect the changing significance of the CAP, to ease the reform of Pillar I, and to allow member states to express their divergent priorities for agriculture, national co-financing should be introduced and CAP spending should no longer be mandatory (Harvey 2006). That would bring CAP financing into line with other EU policies, and make member states responsible for sharing the burden of funding Pillar I, within the agreed budgetary ceiling, and more disciplined in guiding the reform of their agricultural sectors.

Increasingly, the role of Pillar I payments as compensation payments and economic adjustment aids should be recognised. All production-related subsidies should logically be transferred to Pillar I, including, for example, support for energy crops and for organic farming, as well as the subsidies for farming in Less Favoured Areas. Co-financing would recognise that there remains a legitimate EU interest in ensuring an open, competitive market for food, safeguarding the interests of European consumers, and attending to Europe's food security. Co-financing would also help establish an equivalent status between Pillars I and II that should ease the transference of resources to the latter.

Pillar II represents an important refocusing of the CAP. A successful Pillar II that enjoys widespread support among member states is a necessary condition to establishing a consensus around progressive reform of the CAP. Various interest groups, regions and member states need to be convinced that market-orientated reform of agricultural policy does not mean stripping resources and influence away from rural areas in the name of free trade. Therefore, the challenge is to improve Pillar II so that it becomes an attractive alternative to Pillar I. In 2005, the UK Government set out its long-term vision for the CAP – unfortunately what is noticeably absent is any strategy for fostering support for Pillar II (HM Treasury/Defra 2005).

The development of Pillar II has been starved of resources. To overcome this budgetary constriction, member states should be given the freedom to move resources from Pillar I to Pillar II. The title Rural Development Regulation is something of a misnomer: a more accurate and honest name would be the Agricultural Development Regulation. It is perhaps sensible to accept that Pillar II will inevitably cleave closely to agricultural policy. Its

focus should remain on public-goods provision through farming (and forestry) development for the rural environment. The rationale for this would be as follows. Farming and forestry are important to diverse rural economies beyond their marketable produce for two main reasons: the landscape and the environment, both of which are public goods. The landscape is important as it attracts tourists, in-migrants and businesses to rural areas. The environment is important because of the services it provides but also the contribution it can make to the economy in terms of value added and jobs. There therefore remains a strong case for shifting CAP payments away from supporting farmers for being farmers, and giving these to land owners and managers for supplying these public goods.

Moving away from a farm-centred view of rural development

While the provision of countryside-orientated, agriculturally based public goods may help provide the broader conditions for sustainable rural development, it does not directly promote the diversification of rural economies, for example, reducing their dependency on declining primary sectors. Twenty years of experience suggests that promotion of rural development within the tutelage of the CAP and agriculture ministries serves to perpetuate a farm-centred view of rural development: one that, in the words of a recent promotional leaflet on rural development, bows to the belief in 'agriculture – the heartbeat of rural areas' (DG Agriculture 2005: 1).

However, now that we have moved into an era of supporting farmers not because of their success and productivity in, for example, producing food, drink and industrial crops, but as better stewards of the land and residents of the countryside, should we not shift attention and funds away from our expectation that they are a key driver of rural economies? A farm-centred view of rural development not only privileges a particular sector but also perpetuates some essentially backward-looking myths about what drives rural economies. Rural development policies are preoccupied with farm adjustment problems. If the goal is to widen the base and vitality of the economies of rural areas, it is surely important that the crucial, consistent and largely non-agricultural drivers that are revitalising rural economies are supported.

To widen the base and vitality of the economies of rural areas, it is crucial that rural development plans and programmes acknowledge that declining agriculture and food production does not equal lack of growth and diversity in rural economies. Rural businesses and workers need access to the sort of advice, funding and training available in urban areas, but they are often overlooked by economic planners and agencies that assume that there is little beyond agriculture in rural areas. Rural development programmes should therefore be based on an up-to-date profile of rural businesses, employment and expenditure; and should attend to the broader

social needs of rural residents that arise from economic restructuring and social exclusion. Resources for farm diversification should therefore be set within a much wider package of support for rural areas. Rural development programmes should also seek to enhance the environmental and community qualities that shape rural areas and distinguish them from urban environments.

Developing sustainable rural communities and healthy rural economies calls for a step change in EU and national support, but new thinking may need to precede a shift in resourcing, particularly an understanding that the categories 'farming', 'countryside' and 'rural' are not the same or interchangeable. With this understanding, it becomes clear that rural development requires a distinct institutional and policy framework and funding. Within the EU and national contexts, this framework should be subject to principles of cohesion, such as the distribution of central funds to regions in proportion to their objective needs. Inevitably, this will entail dismantling much of the post-war European agricultural project.

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3. Rural development
and the economies of rural areas
Neil Ward

Local economic conditions in rural areas are the outcome of processes that are both local and non-local in origin. More localised influences include the sectoral mix of businesses, the functioning of social and business networks, and other aspects of local human capital. Other influences, however, will be regional, national or international in their scope. These involve the operation of geographically extensive market relations, regulatory and fiscal systems, and demographic processes.

A consequence of these wide-ranging influences is that much that determines local conditions in rural areas lies far beyond the realms of conventional 'rural' policies. Considering the functioning of, and prospects for, rural economies requires open and holistic perspectives that identify and trace interconnections, but these perspectives do not sit comfortably within the neat categories of policymaking institutions. This chapter considers the notion of 'the rural economy' before going on to discuss the ways that rural areas feature within spatial policy and economic development in the UK. It then considers some current issues in debates about rural economies – productivity, diversification, and rural–urban interdependencies – before drawing conclusions.

Conceptions of the 'rural economy' and rural economies

'The rural economy' is not a simple, self-evident or neutral concept. It can mean different things to different people and can be a term that is liberating for some interests and constraining, or even threatening, for others. The idea of 'the rural economy' is regularly invoked by national and local politicians, and by interest groups. It is a concept that gets mobilised for particular ends, and is often popularly understood as a particular type of economy.

Winter draws the distinction between the traditional rural economy, 'based firmly on its local natural resource base' (1996: 90), and a *new* rural economy. He argues that the growth and diversification of the new rural economy has meant that many traditional rural economic activities have become 'hidden from view', citing the example of field sports such as hunting and shooting, which 'might be a relatively small-scale activity alongside so many other growing economic activities, but … is special in so much as it is a non-agricultural activity directly dependent upon the land' (Winter 1996: 96). This is in contrast to other businesses 'which

might just as well be based in Bradford, Birmingham or Brighton' (Winter 1996: 97).

When some interest groups talk of 'the rural economy' they are often implying Winter's traditional rural economy. The rural economy can therefore be thought of as a normative term. Some activities are traditional, more rooted to the land, 'special' even; others could be anywhere. They just happen to be located in rural areas.

Widening the definitional boundaries

Such normative use of 'the rural economy' is full of inclusions and exclusions. On the fifth anniversary of the 2001 outbreak of foot and mouth disease, I published, with colleagues, a study examining the legacy of the crisis (Donaldson *et al* 2006). Press coverage of the study focused heavily on the comparison we drew between the financial payments that were made to compensate farmers for their livestock losses (£1.34 billion) with the new money allocated to help business recovery in the wider economies of rural areas (just £39 million by the end of 2001). The report and the coverage prompted some public debate about the place of farming in rural economies, and the merits or otherwise of a 'rural economy' perspective for the economic wellbeing of farmers and others in rural areas. One response I received following publication of the report went as follows:

> ' … it strikes me that the authors have a very clear agenda, which is basically to do with marginalising farming … [The report] begs the question of what is the rural economy? To the authors, it would appear to consist of all economic activity in the countryside, except farming. I would argue that the genuinely rural economy is essentially the land-based economy – the activities that by their very nature can only take place in the countryside. That is where rural economic problems are concentrated, and that is why [the Government] were, in my view, quite right to focus on problems and solutions for farm-based businesses.'

This response uses Winter's traditional rural economy as synonymous with the 'genuine' rural economy. It shows how notions of 'the rural economy' or particularly 'the wider rural economy' can also be taken as particular and exclusionary – and to imply everything other than farming. The argument in this chapter is that rural economies should ideally be seen in open and inclusionary terms. They will include land-based businesses such as farm businesses, but much more besides.

If we are interested in the economic development of the rural areas of the UK, the risk is not that we do not concern ourselves with Winter's 'traditional rural economy' enough, but that we worry about it far too much. I want to argue that if our objective is to improve the economic wellbeing

of people who live in rural areas, including those in land-based industries, it is time to refute the idea that 'the [genuine] rural economy' is an agricultural or a land-based economy. Agriculture comprises only 1.8 per cent of the national labour force, and even in the rural areas of England it is only, on average, 2.6 per cent, and the sector accounts for just 0.8 per cent of the UK's Gross Value Added (GVA) (Defra *et al* 2005, Countryside Agency 2004).

Employment and employers in rural economies

There is a steady convergence between the sectoral profile of businesses in rural and urban areas. In both urban and rural areas, the two largest sectors in terms of the number of businesses are wholesale and retail, and business and professional services (Countryside Agency 2004). The Countryside Agency's analysis of rural economies (2003) identifies four key sectors for employment in rural areas: distribution, hotels and restaurants; public administration, education and health; manufacturing; and banking, finance and insurance. More than 80 per cent of employment in rural areas is accounted for by these sectors.

Although businesses involved in agriculture and fishing make up 13 per cent of the total number of *businesses* in England's rural areas, their numbers are declining more rapidly than all other sectors, and there is an even greater loss of jobs. Between 1998 and 2002, the number of jobs in agriculture and fishing in England's rural areas dropped by 26,000, or almost 16 per cent. Over the same period, almost 230,000 net new jobs were created in distribution, hotels and restaurants, and in banking and finance – almost nine times as many as were lost from agriculture and fishing (Countryside Agency 2004). Overall, the number of jobs in England's rural areas grew by 275,000 – proportionately a greater improvement over the five-year period (5.3 per cent) than for urban areas (4.7 per cent).

Businesses in rural areas are also more likely to be small – microbusinesses, employing 10 or fewer people. In England, microbusinesses make up 85.4 per cent of all businesses in rural areas and 82.6 per cent in urban areas (Countryside Agency 2004). There are also noticeably higher proportions of people in rural areas who are self-employed (14.5 per cent) than in urban areas (11.8 per cent) (Smallbone *et al* 2002, Winter and Rushbrook 2003). The prevalence of very small firms and the self-employed in rural areas raise questions not widely addressed in conventional economic approaches to understanding firms and markets, which are often modelled on the behaviours of larger businesses. For example, there is a stronger sense of firms and households being more intricately bound up together in rural economies – and sometimes the household is a more appropriate unit for analysis than the firm (Bennett and Phillipson 2004).

The notion of 'the rural economy' remains highly problematic. It implies some sort of closed and unified economy, and is often used to focus on traditional rural economic activities such as those tied to the land. Following Allanson *et al* (1994), I would argue that rural economies are diverse, complex and open systems, which are shaped by some processes that are localised but also by many that are not. I would also argue that, contrary to the response to our report on the foot and mouth crisis quoted above, no special privilege should be given to forms of economic activity that are tied to the land. Any type of business can feature in the economies of rural areas, and this is a good thing.

Rural economies: sectoral and spatial perspectives

Rural areas and rural development issues do not have much influence over national economic policy. Agriculture still has a national policy profile but continues to be conceived and managed as a national economic sector rather than as a force for territorial development. Experience across the OECD countries suggests that sectoral approaches to agricultural support and development deliver only limited wider benefits for rural people and territories (Organisation for Economic Cooperation and Development [OECD] 2004).

There were signs in the early years of the current Labour Government that the role of agriculture might be rethought as an integral component of rural (territorial) development, rather than as a separate economic sector. For example, the Cabinet Office Performance and Innovation Unit's review of government objectives for rural economies (1999) devised a path to bring agriculture within a rural development framework. The subsequent government decision to apply discretionary modulation to the financing of the CAP and its second pillar – the Rural Development Regulation – for the 2000–2006 financial perspective also implied greater emphasis on a rural development and agri-environmental rationale for CAP expenditure, to the detriment of direct compensation payments to farmers (Lowe *et al* 2002).

Indeed, December 2000 was probably the high point of this more reformist, territorial approach to agriculture and rural development. Two months later, in early 2001, foot and mouth disease (FMD) struck, and there has been a retrenchment into a more sectoral approach to agriculture since then. After FMD, the Government established a Policy Commission to look at the future of food and farming, and the work of the Commission presented a highly sectoral (supply-chain) perspective on the future development of the farming industry (Policy Commission on the Future of Food and Farming 2002). The subsequent White Paper (Defra 2002) and reorganisation of Defra nationally and in the regions has reinforced this sectoral concern with the operation of food and farming supply chains and the competitiveness of the industry (see also Donaldson *et al* 2006).

Rural economic issues do not feature prominently in spatial development policies, although their treatment does vary across the different parts of the UK. Spatial development policies include rural affairs/rural development, regional economic development, and strategic spatial planning. Scotland, Wales and Northern Ireland all now have Departments of Rural Affairs or equivalents, although agriculturally orientated approaches have continued to dominate rural policy and spending in recent years. This is, in part, because of the stronger political commitment to a social welfare rationale for agricultural support in Scotland and Wales. Indeed, Welsh policy is to maintain the existing agricultural structure, and support what is seen as the 'traditional Welsh family farm'.

The role of Regional Development Agencies (RDAs)
In the English regions, the treatment of rural areas within spatial policy has developed considerably. The institutional ancestry of the RDAs, coupled with the political debates around their establishment, meant that RDAs have had to pay some regard to rural areas, and this has prompted some, at least notional, consideration of the rural dimensions of regional economic development in the English regions.

However, RDAs' work on rural affairs and rural development has been hampered by three factors:

- First, national co-ordination on rural affairs between the RDAs is relatively weak (in comparison with the work of the former Rural Development Commission, which was a single national body with a narrow and specific rural development focus).
- Second, nationally prescribed performance targets strongly influence RDAs' investment priorities and militate against large numbers of small investments for relatively modest returns, encouraging the agencies instead towards a 'fewer–bigger' approach.
- Third, within central government departments (DTI, ODPM, and the Treasury) and among key ministers, increasing interest in core cities and city regions has directed policy attention and investment priorities towards urban renaissance and infrastructure. This has reinforced a preoccupation with these issues among the economic development professionals that dominate RDAs and other regional and sub-regional agencies, and so poses new challenges for rural development interests if they are to avoid becoming further marginalised from territorial development planning.

While recognising the different, and sometimes competing, influences and pressures shaping the work of RDAs, there is considerable scope to improve

areas of RDAs' rural work. These include the interface between RDAs' regional activities and national rural affairs priorities, the means by which some rural development issues might be more effectively mainstreamed through RDAs' economic development work, and the potential for RDAs to collaborate on pan-regional rural development initiatives, including across the Scottish and Welsh borders.

City regions and what they mean for rural development

Over the past couple of years the idea of 'city regions' has quickly emerged as a new buzzword among economic development professionals across the UK (for example, Marvin *et al* 2006, Marshall and Finch 2006). This is largely a consequence of the loss of political momentum behind the processes of decentralisation and devolution to the English regions, but the term also features strongly in debates about Belfast and Scotland's central belt. The term 'city region' was first used by Patrick Geddes almost a century ago to describe the growing conurbations. There was renewed interest in the idea in the 1960s during debates about local government reorganisation, prompted by the Redcliffe-Maud Commission (1966–69) (Midgley and Ward 2005: 22–23, Centre for Rural Economy 2006). These two phases of interest were the product of profound changes in the economic and social geography of the UK, first as a consequence of urban industrialisation and the development of the railways, and second as a result of the growth of the motor car.

The current context is also one of profound social and economic changes, this time as a result of globalisation and information and communication technologies (ICT). Yet the idea that city regions are at the cutting edge of a new age of urban economic competitiveness in a globalising world is open to question, not least because the technologies that are playing such a key role in current socio-economic changes can be seen as fundamentally decentering technologies. ICT allows people to live, work and run businesses in all sorts of places.

In the north of England, city regions have been given new impetus through the Northern Way Growth Strategy, launched in 2004 (Northern Way Steering Group 2004). This pan-regional initiative involves the three northern regions in a growth strategy to raise the economic performance in the north, and focuses efforts on eight 'city regions'. Its city region approach is strongly influencing the work of the three RDAs for the northern regions. In the north west and north east regions, in particular, city regions feature prominently in the new Regional Economic Strategies for 2006–16. In the north east, the city region concept is also central to the new Regional Spatial Strategy. RDA investment priorities, and regional land use planning priorities, are being reconfigured from the perspective of strengthening the economic performance of city regions.

The city region concept is therefore already having a deterministic influence on the planning of regional development, even if this is in advance of there being a clear sense of what city regions really are. The Northern Way Growth Strategy suggests that the city regions encompass '90% of the North's population and more than 90% of the North's current economic activity and economic assets' (2004: para B1.1). However, the way that city regions are defined (even for the purposes of such statistics) remains a mystery, hidden behind a language of 'fuzzy boundaries' and 'flexible geographies'.

Challenges for rural areas
The city region approach reproduces a rural development problem. It establishes and reinforces out-of-date notions of geographical centrality and hierarchies, and it actively marginalises places, consigning them to the periphery, dividing and polarising. City regions are taking root in regional economic development and spatial planning across the UK, and they are raising profound challenges for those involved in the economic development of rural areas.

There are two ways of seeing the role of rural areas (and their businesses, communities and landscapes) in the development of regions. One is as passive beneficiaries of urban-focused strategies. This assumes that rural areas will benefit from overall regional growth, and that any interventions focused on city regions will bring trickle-out benefits to wider rural areas. A second outlook is to see rural areas and their assets as active contributors to the development of cities, city regions and even national territories. This need not overplay the role of rural areas in regional development, but it does suggest that market towns and villages, and rural landscapes and assets, make a contribution to the competitive appeal of city regions. Furthermore, their appeal is not just as an area of consumption, but also as attractive locations for growth-orientated businesses.

Positive initiatives for rural development
While the enthusiasm for city regions may pose challenges for rural development, two recent sets of developments give rise for optimism in progressing territorial approaches to rural development. These are the experience of the Market Towns Initiative, and the production of Planning Policy Statement (PPS) 7 (*Sustainable Development in Rural Areas*) by the ODPM (2004).

Market Towns Initiative
The Market Towns Initiative (MTI) has built up a new body of knowledge and experience about the regeneration of market towns and their contribution both to the development of their rural hinterlands, and to the appeal

of regions and city regions. The MTI involved more than 200 market towns in England, and provided support via a web-based toolkit to assist in market town health checks, financial support for market town officers/co-ordinators to deliver action plans, and a national learning network.

The initiative was judged by evaluators to have been successful in providing the stimulus – and a focal point – for a wide range of social, economic and community development activities. The venture also raised the profile of market towns, and their development problems and opportunities, among the main agencies and authorities. It also highlighted new regeneration opportunities within towns, and enabled some market towns partnerships to bring in significant additional regeneration funding, and influence the plans and strategies of other organisations (Entec UK Ltd 2004).

PPS 7: Sustainable Development in Rural Areas
Planning Policy Statement (PPS) 7, *Sustainable Development in Rural Areas* (ODPM 2004), was produced in the wake of the Government's 2000 Rural White Paper (DETR/MAFF 2000), and represents a more flexible and proactive approach to economic development in rural areas. It sets out one of the Government's objectives for rural areas relevant to the PPS as 'promoting the development of the English regions by improving their economic performance so that all are able to reach their full potential – by developing competitive, diverse and thriving rural enterprise that provides a range of jobs and underpins strong economies' (ODPM 2004: 6).

Over recent decades, countryside planning has been dominated by strongly preservationist concerns, but PPS7 opens up the possibility of moving away from a prohibitive and regulatory approach to local rural planning, towards one that is more enabling of development. PPS7 offers local planning authorities the scope to allow new development in rural settlements that are not local service centres 'in order to meet local business and community needs and to maintain the vitality of these communities' (ODPM 2004: para 4). It also encourages a supportive approach to development associated with farm diversification schemes for business purposes. PPS7 requires local planning authorities to set out clear criteria for permitting economic development in locations outside local service centres, including the future expansion of business premises, 'to facilitate healthy and diverse economic activity in rural areas' (ODPM 2004: para 5ii).

Of course, the challenge with such PPSs is in their translation from national guidance to the practices of local planning officers and the decisions of planning committees. Nevertheless, PPS7 is not a licence for strictly preservationist planning and, if engaged with imaginatively, ought to enable a more developmental approach to rural areas and economies.

Current policy issues in rural economic development

Productivity

The Government has become increasingly interested in the question of productivity in the UK, prompted by a series of studies conducted by the Treasury (HM Treasury 2000, 2001a, 2001b, 2003, 2004a). Based on the Treasury's analysis, the Government established five priority areas for action – referred to as the five drivers of productivity growth: investment, skills, innovation, competition and enterprise.

A new Rural Productivity Performance Target

The Public Service Agreement (PSA) targets agreed as part of the 2002 Comprehensive Spending Review (HM Treasury 2002) contained new targets for economic development with an explicitly territorial dimension. These included, for the first time, a specific, quantitative and measurable target for the economic development of rural areas. Subsequently refined as part of the 2004 Review, Defra's Rural Productivity Performance Target is to:

> ' … reduce the gap in productivity between the least well-performing quartile of rural areas and the English median by 2008, demonstrating progress by 2006, and improve the accessibility of services for people in rural areas.' (HM Treasury 2004b)

The target for Defra has prompted a great deal of interest in how productivity can be understood, and how policy measures might be devised to raise productivity levels in local rural areas. Forty-four indicator districts have been selected in England from the less well performing quartile of districts, through a process of statistical analysis of economic data, followed by consultations with stakeholders in the English regions (see Figure 3.1).

Defra has recently produced a rural contribution to the Treasury's productivity studies – *Productivity in Rural England* (Defra 2005). The report discusses definitions of productivity and what these might mean for rural areas and rural economic policy instruments. Productivity is argued to be a key determinant of living standards, and the Government has focused in particular on labour productivity – output per person or per hour worked. At local authority district level, the Government uses earnings as the best available proxy for Gross Value Added (GVA), and earnings have been estimated to account for 60–65 per cent of GVA (Defra 2005). Defra is therefore using earnings per head of working population as the headline productivity indicator, although there are significant differences according to whether data is derived from where people live or where they work.

Figure 3.2 shows the Government's headline productivity proxy indicator for local authority districts in England and illustrates the influence of London

Figure 3.1 Defra's 44 PSA productivity indicator districts

Berwick-Upon-Tweed
Alnwick
Eden
Derwentshire
Wear Valley
Easington
Allerdale
Sedgefield
Teesdale
Copeland
Scarborough
East Riding of Yorkshire
North Lincolnshire
West Lancashire
West Lindsey
High Peak
East Lindsey
South Holland
Fenland
Bolsover
King's Lynn and West Norfolk
North Shropshire
Breckland
Oswestry
North Norfolk
South Shropshire
Great Yarmouth
County of Herefordshire
Forest of Dean
Tendring
Swale
North Devon
Dover
Torridge
Shepway
North Cornwall
Rother
Carrick
West Devon
Isle of Wight
Penwyth
Caradon
Restormel
Kerrier

Boundaries of the Government Office Regions
PSAA Productivity Indicator Districts
Major and Large Urban Areas
Other Districts

Source: Defra, revised version 2005

on England's spatial economy. Rice and Venables (2004) have demonstrated how spatial variations in productivity between Britain's sub-regions (comparable with counties, for example, under the EU's NUTS 3 level for territorial statistics) can largely be explained by proximity (within 80 minutes' driving time) to larger urban centres. Defra's analysis also illustrates how some of the variation in productivity performance in England's rural areas can be explained by the historic importance of primary industries to that area.

Productivity growth targets from the rural perspective
Defra has assessed the Treasury's five drivers of productivity growth from the perspective of rural areas. The analysis of investment in rural areas is relatively limited in the study. However, when the 354 English districts are ranked by levels of capital investment, 17 of the 20 with the lowest levels of investment were in Defra's 'most rural' category, while only one of the top 20 (West Berkshire) was rural. The analysis also associates poor productivity performance in rural areas with skills levels and low educational

Figure 3.2 Headline productivity proxy indicator: Local Authority districts by quartile (average for 1999/00, 2000/02, 2001/02 and 2002/03)

Rural - top quartile
Rural - 2nd quartile
Rural - 3rd quartile
Rural - bottom quartile
Urban - top quartile
Urban - 2nd quartile
Urban - 3rd quartile
Urban - bottom quartile
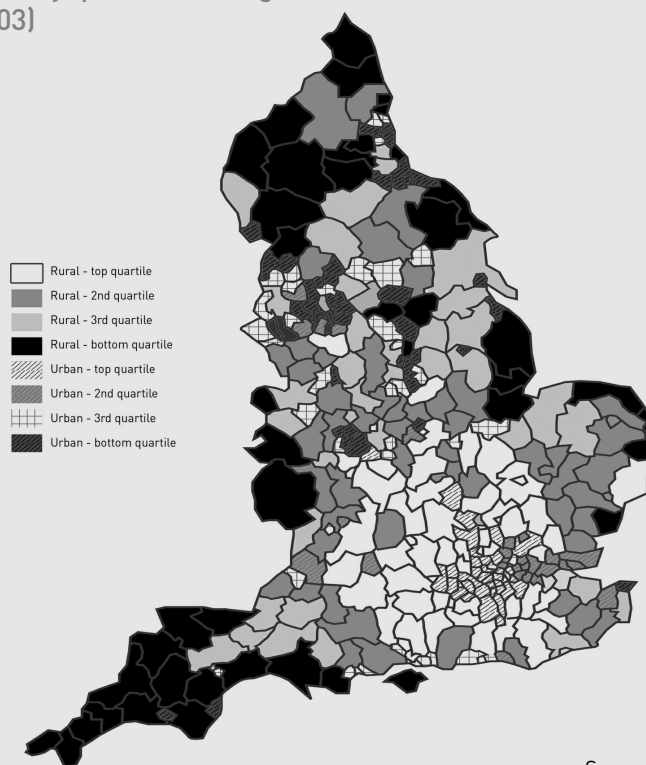
Source: Defra (2005)

attainment (Agarwal *et al* 2004). One possible explanation for the prevalence of low qualifications in some rural areas is a low skills equilibrium, with firms operating in low value-added markets demanding relatively low skills levels from their employees.

On innovation, Defra's study concludes that there are grounds for believing that firms in rural areas are less innovative than their urban counterparts (Defra 2005). For example, research by SQW consultants for Defra in 2005 used surveys to examine the use of ICT among businesses in England's rural areas. The research found that, in general, rural businesses adopt ICT significantly more slowly than their urban counterparts, although the slower adoption is more the result of weaker drivers promoting ICT rather than inherent barriers to adoption. The study found that rural businesses continually have to play 'catch up' with broadband, with only 40 per cent of internet users using broadband in rural areas compared to 60 per cent in urban areas (SQW 2005).

Competition among firms in rural areas is likely to be affected by the relative sparsity of populations and businesses, and by greater geographical dis-

tances. However, it is notable that the number of businesses per 10,000 of population is higher in most remote rural areas than for all other types of areas except major urban centres (Defra 2005). The evidence on competitiveness and the competition between businesses is mixed, and the reasons for differences between urban and rural areas are likely to reflect their inherent characteristics. On enterprise, the review underlines the importance of in-migrants to rural entrepreneurship (see below and Stockdale 2005: 119-133).

The PSA target has not been free from criticism. For example, Lord Haskins dismissed it as 'aspirational and woolly' and impractical (Haskins 2003: 35). However, the target has helped generate considerable improvements in the evidence base and the level of analysis of drivers of economic performance in rural areas. There is increasing evidence of market failures in labour mobility, investment and competition, and these may serve as the starting point for improving the rationale for government interventions to stimulate rural development, both nationally and in regions and sub-regions. At the same time, the technical focus on GVA, and earnings as a proxy, also raise fundamental questions about the objectives of economic development. These include whether the right things are being measured and the nature of the relationships between GVA, earnings and wellbeing (see Layard 2005). These are important questions, and some local authorities are starting to address them.

Critics of the PSA Rural Economic Performance Target approach face the legitimate question of what might serve as a more appropriate indicator. However, it is clear that earnings are only part of the story of the economic wellbeing of households in rural areas. Analysis by the Countryside Agency (2003) has shown that, in many rural counties, income other than wages and business earnings can provide a substantial share of household income. For example, in the rural parts of the north west region, almost a third of the population are retirees, compared to only 18 per cent for the region as a whole. Therefore the Treasury's favoured productivity measures may be less appropriate than other measures such as Gross Disposable Household Income. The effects of retirees and commuters in rural areas can mean that different indicators give sharply different impressions of how rural areas are faring compared to national averages.

Diversification

A prominent strategy within rural economic development has been to encourage diversification. This has principally centred on the diversification of farming businesses, and has been fuelled by recognition of the need to respond to farming income and viability problems by incentivising farmers – through grant schemes and advisory services, for example – to develop diversified enterprises on their farms. A survey of farm diversification in England in 2002 found that 58 per cent of 1,624 surveyed farms were involved in some form of diversified activity (Centre for Rural

Research 2002). However, many of these activities are closely related to farming: alternative crops, agricultural contracting, farmhouse bed and breakfasts, and farm shops.

Public financial support to assist farm diversification usually serves to help farmers stay in agriculture, rather than to fundamentally reorientate their business. This agricultural perspective on farm diversification is also reinforced by the planning system. For example, in giving guidance on farm diversification, PPS7 justifies diversification as 'vital to the continuing viability of many farm enterprises' (ODPM 2004: 16), and exhorting local planning authorities to:

> ' … be supportive of well-conceived farm diversification schemes for business purposes that contribute to sustainable development objectives *to help sustain the agricultural enterprise*, and are consistent in their scale with their rural location … ' (ODPM 2004: 16, emphasis added)

In other words, diversification seems to be primarily about keeping farmers on the farms, and maintaining a farming future for them. Less clear is why public support should be oriented to helping keep farmers in farming, which might be thought of as a lifestyle choice. For example, a farmer who stops farming and converts farm buildings for wholly non-agricultural business purposes could, and should, be a perfectly legitimate form of rural economic development.

The need to develop non-agricultural activities
Farm diversification tends to be justified in terms of rural development benefits. However, benefits might be greater with a move away from a sentimental concern about sustaining farmers in farming. Wider development of non-agricultural rural economic activities are likely to bring benefits to farming families, not least through the opportunities for additional sources of income. Pan-European surveys have long been suggesting that multiple income sources are a widespread feature of British and European agriculture (see Commission of the European Communities [CEC] 1992), with at least half of farm households no longer exclusively dependent upon agricultural production for their incomes (CEC 1992). Income sources from off the farm are of much greater significance than non-agricultural income generated on the farm (through conventional farm enterprise diversification activities).

The implication is that to diversify farm household incomes, the most appropriate strategy is to stimulate diversification and economic growth in wider local rural economies, thus benefiting non-farmers and members of

farming families. Farm households can manage even when income from farming is being squeezed, providing that the surrounding rural economy is buoyant and provides opportunities for alternative or additional income for farm household members. Following this line of argument, the most pressing problems lie with those localities where the local economy is too narrowly dependent upon agricultural production. Agricultural dependence is a rural economy problem. With the prosperity of farm families increasingly dependent on the wider local economic conditions, and with local rural economies, in turn, less and less dependent on the performance of an agricultural sector that is increasingly integrated into global markets, the focus of intervention to promote rural development and employment should be the rural and regional economy, and not the agricultural sector.

Increasing government interest in diversification
In recent years, there has been increasing interest in the need to diversify rural economies. The Government's vision, set out in the 2000 Rural White Paper, talked of 'a working countryside, with a diverse economy giving high and stable levels of employment' (DETR/MAFF: 6). Diversity is often seen as an end in itself and certainly warrants some careful consideration. From an agricultural perspective, diversification may imply a shift away from agricultural dependence into some other form of activity. However, if large numbers of farmers diversify into, say, similar types of tourism enterprises, then local economies may remain highly dependent on a narrow range of sectors – farming and tourism rather than just farming. In some cases, of course, specialisation in local rural economies may enable localities to develop highly distinctive and specialist economic development strategies centred on local clusters or resources, for example, the second-hand books cluster around Hay-on-Wye, or the bird-watching economy on the north Norfolk coast.

Rural–urban interdependencies
It is not helpful to treat rural economies as distinct from urban and broader regional trends and processes. The economic conditions and prospects for local rural areas in the UK are highly dependent upon their geographical relationships with the major urban centres. Recently, there has been increasing interest in rural–urban interdependencies in the English regions and elsewhere in the UK. This is, in part, because of socio-economic and policy trends, including 'counter-urbanisation' and commuting, as well as policy agendas around regional governance and sustainable development. The average Briton travelled about 8km a day in 1950. This rose to about 40km a day in the late 1990s and is forecast to rise to about 100km by 2025 (Adams 2000). Mobility and interconnectedness are features of the modern age, and challenge old notions of 'rural' and 'urban' as being distinct and separate spheres.

This recognition of the importance of rural–urban dependencies to rural development has not been confined to the UK. Several European studies have explored the nature of rural–urban relationships and the contribution of rural areas to the development of regions. Recent research by Michael Porter has also highlighted the importance of rural–urban links in the competitive performance of rural areas in the US (Porter *et al* 2004).

Links and interdependencies between rural and urban areas take many different forms. They include flows and exchanges of material goods and labour, of knowledge and information, and of ideas and cultural practices. However, the ways that interdependencies between urban and rural localities are understood and conceptualised are relatively under-developed in social science and policymaking. Innovative work in urban studies is rethinking the relationships between cities in a globalising world, but so far understandings of rural–urban links have lagged behind.

The significance of in-migration

Research at the Centre for Rural Economy examined the nature of rural–urban relationships in the north east region in the context of increasing interest in the city regions concept developed through the Northern Way (Midgley *et al* 2005). It worked from the starting point that increased mobility and interconnectedness is not necessarily beneficial or detrimental. The work identified how interdependencies are increasing as commuting patterns extend further from larger urban centres, and how local rural service centres and market towns can attract new in-migrants to regions that have otherwise been suffering from population decline (such as Scotland and the north of England). Indeed, it has been this distinctive role of rural areas as attractors of entrepreneurial in-migrants that has prompted most interest in debates about the contribution of rural areas to regional and city-region competitiveness.

Traditionally, research into rural in-migration has tended to cast in-migration in a negative light, focusing heavily on the social and community changes that newcomers are argued to bring. It is only recently that the significance of in-migration to local rural areas has been more positively represented as a driver of economic development (see Stockdale 2005: 119–133, Stockdale and Findlay 2004, Bosworth 2006, Kalantaridis and Bika 2006). For example, a survey of rural households in five English districts (Stockdale and Findlay 2004) found that for each self-employed in-migrant, an average of 2.4 full time jobs was created. Furthermore, some 85 per cent of in-migrant business owners worked within their local district, thereby concentrating their economic impact on the immediate area.

Recent re-analysis of a sample of 2,000 north east rural micro-businesses estimates that an average of 2.8 additional jobs have been created by each in-migrant business surveyed in 2000 (Bosworth 2006). It is estimated that

a total of 7,600 people are employed full-time in rural micro-businesses owned by in-migrants. This is 8.3 per cent of the total number of jobs in the rural areas of the north east region. By comparison, agriculture and fishing provide some 3,398 full-time jobs or 3.7 per cent of the total.

Viewing in-migration to rural areas as a positive driver of economic development raises a host of new research issues. These include questions around: the relative growth performance of in-migrant businesses versus local businesses; the relative geographical scope of business and social networks of in-migrant and endogenous businesses; the age profile of in-migrant entrepreneurs; and the marketing strategies of development agencies interested in attracting incoming entrepreneurs.

Conclusions

Rural and regional economies are experiencing profound changes that render as outdated the concept of 'the rural economy' as a unitary and sectorally distinctive entity. Essentialist approaches to rural economies – which see it as possible to specify a finite set of characteristics that define an entity – can be either conservative or progressive. Conservative approaches look to the past and emphasise the importance of land-based industries to the constitution of rural economies. They sometimes refer to farming as the 'mainstay' or 'backbone' of rural economies. Progressive approaches, on the other hand, are more likely to accept that any type of economic activity can be located in rural areas and that no one sort of economic activity can be said to be more characteristically 'rural economy' than any other.

The limits of sectoral approaches
Sectoral approaches deliver only limited benefits for wider rural economies and communities compared to horizontal (territorial) approaches, and this is increasingly recognised across OECD countries. Given this, two recent trends give cause for concern in the UK. First, within farming, food and rural affairs policy, there has been an increasing emphasis since 2001 on the farming and food supply chains, embodied in the Curry Commission and Haskins Delivery Reviews (Policy Commission on the Future of Food and Farming 2002, Haskins 2003), with insufficient strategic prominence and resources given to the rural affairs objectives and functions of Defra and the comparable departments in the Devolved Administrations. Second, while sub-national spatial development policy is rapidly evolving, in many parts of the UK this is being driven by an old-style core-periphery model that is concentrating effort, and prioritising resources, within highly urban-centric strategies and programmes. The rise of city regions in regional economic development and spatial planning will pose major chal-

lenges for those involved in rural economic development, especially if a strategic approach to regional rural development is not developed as a counterpart.

Strengthening territorial approaches

More optimistically, a renewed interest in the roles of rural market towns, both in the development of rural areas and also in contributing to the growth of regions and city regions, opens up new opportunities to strengthen more territorial approaches to rural economic development. Furthermore, it is clear that national planning policy guidance continues to retain scope for enabling more imaginative local planning officers and authorities to pursue more developmental approaches to local rural areas and economies. This would be in accordance with the Government's priorities, reflected in its review of land-use planning policies under Kate Barker, announced as part of the *2005 Pre-Budget Report* (ODPM 2006).

Analysing productivity

Paul Krugman famously said, 'productivity isn't everything, but in the long run it is almost everything' (Krugman 1990: 9). Yet productivity has only begun to be systematically analysed in relation to rural development in the past few years. The introduction of Defra's PSA target for Rural Economic Performance may pose technical challenges in terms of data collection and analysis, and the selection of appropriate indicators, but its very existence has proved a very useful stimulus to policy analysis and debates about rural economies and rural development.

The difficulties associated with the operation of the target should be no excuse for its withdrawal, for it serves a useful purpose in framing a policy problem and generating analysis within government that breaks new ground. It raises the profile of the economic dimensions to rural affairs policy, which otherwise risk being swamped by the concerns of countryside preservationism and perpetual institutional change. The rationale for choosing earnings as a surrogate for productivity should be more openly debated and discussed, especially in the light of calls for raising Gross Household Disposable Income to become the core objective of the Government's work in rural England (Countryside Agency 2003).

Reviewing farm diversification

Farm diversification has become a commonplace and unquestioned component of rural development, and public funds are available to support farmers in diversifying their enterprises in order to maintain viable businesses. The implicit assumption is that it is a good thing to help farmers stay in business and warrants public support. Most farm diversification is strongly farming-related and it is open to question whether other forms of

rural business support would represent better value for public money and generate greater rural development benefits (such as creating jobs). The re-use of farm buildings by new businesses wholly unconnected to farming may generate more jobs, improve productivity and offer wider local economic benefits than piecemeal diversification schemes that are motivated by a desire to help keep farmers on their land.

The rationale for support for farm diversification within rural development strategies and action plans warrants a fundamental review. Similarly, the specific beneficial attributes of 'diverse rural economies' also require further analysis. For example, where there has been a significant shift from employment in primary industries to employment in rural manufacturing firms, how vulnerable are these local economies to current and future processes of globalisation, and the increasing competitiveness of low wage economies in Asia and Eastern Europe?

Rural–urban interdependencies

Rural–urban interdependencies are increasingly being recognised as important in understanding the functioning of local rural economies and in highlighting the contribution of rural areas to wider regional growth. Of particular interest is the role of in-migrant entrepreneurs who either bring new businesses to rural areas or establish them there. 'Incomers' have been traditionally cast as disruptive of the rural way of life, although in-migration is gradually being viewed as a positive force for economic development, which can bring wider benefits. Seeing in-migration from this perspective raises a host of new research questions about the nature and effects of what we might call entrepreneurial rural in-migration.

Placing rural economies at the heart of rural development

It has been argued that rural development is 'a term that needs more careful usage and interpretation by all who employ it' (Thomson 2001: 9). Rural development, Thomson argues, should not be used to imply simply the normal operation of the rural economy, 'but reserved for its structural and behavioural *change*' (Thomson 2001: 9), with rural development policy orientated to the active promotion of such change.

This chapter makes a case for placing rural economies at the heart of rural development, and thus of rural development policy. There are economic, as well as social and environmental, benefits to be derived from the structural processes of change underway in rural economies, as well as some difficulties to be overcome. Structural and behavioural changes are best delivered through approaches to rural economies that are developmental and permissive. Tackling low-wage/low-productivity equilibria, improving rural business performance, and raising rural household incomes all require developmental approaches to local rural economies.

Economic development interventions need to be forward-looking and are likely to involve mixing the small-scale with the strategic, the territorial with the sectoral, and the local with the non-local.

Rural economic development should also be more permissive in acknowledging that rural areas can be attractive and successful locations for all sorts of businesses, and this is something to be welcomed and encouraged. Of course, rural economic development should not undermine the very assets upon which rural areas' competitive advantage often depends (such as attractive landscapes, human and social capital) and there will always be a need to see farming and land management as integral components of local economies in rural areas. However, an overdependence on agriculture is a weakness for those rural areas where land-based industries contribute significant proportions of jobs, and is not a justification for the continuance of farm-centric rural development.

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4. Delivering rural economic regeneration: a view from the front line

Richard Pealing

One of the difficulties in being involved in rural economic regeneration at an operational level is being able to clearly see the interconnectivity of many aspects of rural life, but in practice only being able to influence a small portion of this wider picture. As an example, the availability of affordable housing in certain parts of England affects the ability of that rural area to retain and/or encourage key workers to stay in, or move into the area; this then affects the economic growth potential of many of the indigenous small businesses in the area. However, while economic regeneration agencies in rural areas may be able to help small businesses to locate and recruit key workers, they cannot, by themselves, tackle the issue of the lack of affordable housing. Similarly, the overriding need to protect the environment, especially in the more attractive parts of the England, such as national parks, leads to conservation and planning restrictions that can inevitably limit the potential for economic regeneration in these areas.

Recognising and trying to reconcile these dilemmas, rural policy at a national level has tried to adopt a more holistic approach which gives equal recognition to economic, social and environmental issues. In addition, the UK Government has started a process of bringing together, at least as far as is practical, the various delivery programmes that address these issues. This chapter examines the difficulties in reconciling policy development and programme delivery. It explores the policy and operational context for the delivery of rural support programmes, considers the mechanisms that have been put in place at a regional level to deliver rural policies (with reference to north west England), and examines the issues surrounding the delivery of these programmes on the ground at the sub-regional level in Cumbria. The chapter then goes on to suggest some of the key issues that need to be taken forward if the delivery of the current rural policy framework is to be successful where it really matters – in the rural communities themselves.

The national policy and operational framework

Since being elected to office in 1997, the Labour Government has pursued a dual policy: first, modernising rural policy in order to make it more responsive to current trends; and second, attempting to improve service delivery by greater integration of action at a national, regional and local level.

One of the most significant changes was the creation of a new Department for Food, Environment and Rural Affairs (Defra) in 2001, followed by the Prime Minister's request to Lord Haskins to carry out a review of rural delivery. The *Rural Delivery Review* was published in November 2003 (Haskins 2003) and found that rural policy and delivery functions were confused, overlapped and blurred accountability. The review noted that while there were rural strategies in place at regional and sub-regional level, there were too many of them and, as a result, the delivery of services to rural areas failed to satisfy regional and local priorities. Furthermore, too many organisations were involved in local delivery with a distinct lack of co-operation between these delivery agencies. To solve these problems a series of recommendations were made (Haskins 2003):

- improve accountability through a clearer definition of responsibility for policy and delivery functions
- bring delivery closer to the customer by devolving greater responsibility to regional and local organisations
- develop a more integrated approach to sustainable land management by rationalising agencies with overlapping agendas
- improve co-ordination of delivery by enhancing the role of Government Offices for the Regions
- develop a more integrated approach to regulation and ensure simplified services.

Devolvement of decision making

Focusing on a number of the issues raised and recommendations made by Haskins, Defra published its *Rural Strategy* in 2004 (Defra 2004), and this set out a new devolved and targeted approach to rural policy and development, by attempting to devolve more decision making to a more local level. In terms of economic and social regeneration, the strategy recognises that while the majority of rural areas have relatively strong economic performance, in a minority of rural areas, there are structural economic weaknesses and associated poor social conditions. This concern is reflected in Defra's main PSA target to reduce the gap in productivity between the least well-performing rural areas and the English median (HM Treasury 2004). The strategy goes on to state that this 'requires a more targeted area based policy to maximise the benefits of mainstream public funding, to attract and foster business development, to improve skills and to build local institutional and community capacity' (Defra 2004: 11).

In a sense, the *Rural Strategy* 2004 highlights the dilemma that economic improvement in some of these remote rural areas requires the implementation of a wide-ranging strategy that requires a more devolved, locally tar-

geted approach – this is often counter to the prevailing trends, which often create a more centralised approach to service delivery. One response has been the creation by Defra of eight Rural Delivery Pathfinders, one in each English region, where local (sub-regional) partnerships are being funded to explore and test opportunities for a more joined-up, flexible and effective approach to rural delivery at a local level. This will help to ensure greater co-ordination of a range of rural delivery activities, such as economic development and service delivery.

Working with Regional Development Agencies
In order to tackle the more deep-seated issues involved in economic and social rural disadvantage, Defra committed itself to working more closely with Regional Development Agencies (RDAs) and has already devolved some of the regional decision making on the delivery of economic and social regeneration programmes to them. Defra has also started to devolve some of the funding currently available for social and economic regeneration to RDAs, and increased RDA influence in the decision making process for the current England Rural Development Programme. From 2007, Defra will assign responsibility to RDAs for the delivery of the social and economic regeneration elements of the new European Agricultural Fund for Rural Development.

However, many of these changes have yet to filter down to an operational level and so it is difficult at present to see many changes in the way programmes are delivered at a local level.

Delivering rural policy at the regional level

In November 2005, the Government Office for the North West submitted a draft *Rural Delivery Framework for the North West of England* to Defra on behalf of the regional partners and stakeholders. The intention is that this document will help deliver the aims of the *Rural Strategy* by providing a framework to allow decision making to be devolved to a regional and local level by:

- articulating clear priorities for rural delivery in each region
- simplifying the way services are delivered to customers through improved working between delivery organisations
- securing greater coherence between rural policy and other regional strategies and delivery plans
- improving alignment of regional policy and delivery with local priorities and actions.

However, as Figure 4.1 shows, the interaction between the regional policy-makers and the sub-regional local delivery organisations is complex and, at

times, tenuous. The delivery framework recognises this, but even eighteen months after the publication of the *Rural Strategy*, many uncertainties within the rural policy and delivery framework exist. For example:

● How will regional priorities be used to guide national level interventions in future?
● What will the new European programmes look like after 2006, including the potential split of delivery within the new European Agricultural Fund for Rural Development 2007–2013, where environmental policy and delivery (the so called Axis 2) will be the responsibility of the newly established Natural England (which will bring together the work of the Countryside Agency, English Nature and Defra's Rural Development Service), and social and economic policy and delivery (the so called Axes 1 and 3) will be the responsibility of the Regional Development Agencies.
● What is the role of local authorities in rural policy delivery through Local Area Agreements and how will this relate to the roles and responsibilities of Local Strategic Partnerships?

Figure 4.1: Rural Delivery Framework for the north west
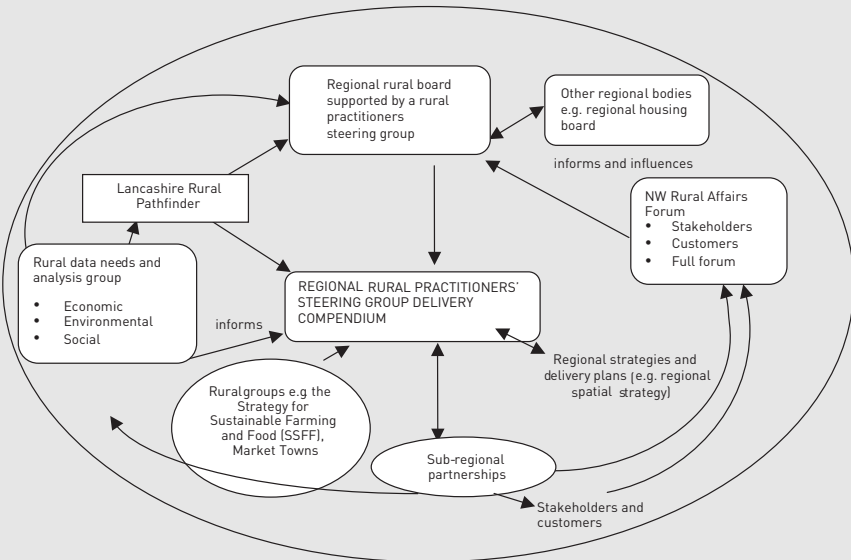
Source: Government Office for the North West (November 2005) *Draft Rural Delivery Framework for the North West*

Delivering rural programmes at the sub-regional level: lessons from Cumbria

Cumbria's rural economy was already suffering widespread underperformance in a number of economic areas before foot and mouth disease (FMD) struck in 2001. It had a low GDP, which was continuing to decline, an ageing population with a net outflow of the younger working-age population, and an overdependence on agriculture and tourism for jobs. These factors produced a narrow economic base, which was under represented in production and higher value-added business services, a lack of core skills in ICT and customer services among the workforce, and a below-average proportion progressing into higher education. FMD highlighted these issues but did not cause them.

To put the rural economy of Cumbria into context, in December 2005, the Office for National Statistics published the latest local Gross Value Added (GVA) statistics, for 2003. These showed that Cumbria had slipped further behind the national average and, although GVA had grown nationally by 50 per cent between 1995 and 2003, in Cumbria it had only grown by 22 per cent. As a result, GVA per head of population in Cumbria had declined from 93 per cent of the national average in 1995 to 76 per cent of the national average in 2003. Only Cornwall, West Wales and the Valleys, Highlands and Islands, Tees Valley and Durham, and Merseyside had a lower GVA per head.

Table 4.1: Gross Value Added (GVA) comparisons 1995–2003

GVA per head of population	1995 (£)	2003 (£)	Change (%)
West Cumbria	9,4701	1,268	+18.9
East Cumbria	10,443	13,103	+25.5
Cumbria	9,980	12,217	+22.4
North West	9,789	14,269	+45.7
United Kingdom	11,015	16,521	+49.9

Source: Office for National Statistics (2005)

Rural Regeneration Cumbria

As a consequence of FMD and these broader rural economic issues, the Cumbria Rural Action Zone Programme was announced in mid 2002 as part of a broader Rural Renaissance Programme for north west England, with funding provided through the Northwest Regional Development Agency (NWDA). In Cumbria, as a result of the scale of the programme required, it was decided to establish an independent, not-for-profit company – Rural Regeneration Cumbria – to implement this wide-ranging pro-

gramme, as it was felt that existing structures were too fragmented to take on the task and were insufficiently co-ordinated to deliver the kind of transformational change needed.

Rural Regeneration Cumbria started operation in April 2003 and began to implement the £275 million Cumbria Rural Action Zone Next Steps Strategy, which was a five-year programme to tackle economic, social and environmental issues in rural Cumbria. Initially resourced with £40 million from the NWDA, Rural Regeneration Cumbria was tasked with bringing in other sources of public sector match funding from Defra, the European Commission and local authorities, as well as working with the private sector to fully implement the Next Steps Strategy.

Following the FMD outbreak, while there was a need to tackle some of the underlying issues surrounding the poor performance of the rural economy, there was also a need for some 'quick wins' to provide assistance to those areas of the economy that had been badly affected by FMD. Two of the biggest support programmes developed were to help the agricultural and tourism sectors.

Hindrances to implementation

Business support programmes for both start-up and existing small businesses were also developed, but as an economic regeneration agency, Rural Regeneration Cumbria found it more difficult to implement programmes that supported skills development, environmental projects, and social and community programmes. This was partly as a result of the need to meet the strict economic output targets set by the RDAs and partly because, in some areas of activity such as skills, education and the environment, current funding streams are tied to their own particular outcomes and bring with them their own match-funding issues. This makes integration and delivery on the ground often difficult, sometimes impossible. Nowhere was this more evident that in trying to use RDA and European Regional Development Fund (ERDF) funding to match with Defra-funded programmes, notably the England Rural Development Programme, where project-based schemes come with the public-sector element fully funded by the EU and Defra. This has meant that the only match can be private-sector finance, which is not helpful for the integration of rural funding streams.

The mid-term evaluation of the Cumbria Rural Action Zone Programme stated:

'In 2002 rural Cumbria was correctly identified as suffering from a range of economic challenges, over and above the substantial shock of FMD. Economic output was poor and on a downward trend. The narrow business base lacked an enterprising spirit and was heavily dependent on the underperforming agriculture and tourism sectors.

The area faced an ageing population which was already under-employed and under-skilled in comparison with the rest of the region.

'Many of the issues remain today. Viewed from the economic policy environment of 2005, the key challenges facing rural Cumbria today are output and productivity. It is imperative that these are raised, which means increasing economic activity, developing high level skills and encouraging higher value-added enterprise.' (SQW 2006: 20)

This means that broadening the economic base of rural Cumbria must now be the absolute priority. Any future programme must focus on the higher added-value sectors and in raising the level of entrepreneurship in the economy, to further reduce the reliance on the relatively poorer performing land-based and tourism sector. Absolute skill levels, as such, are less of an issue than raising levels at the higher end of the qualifications spectrum.

Conclusions: aligning rural policy and delivery

Despite all the changes to rural policy and delivery, the gap between policy and delivery has narrowed but by nowhere near as much as recommended by Lord Haskins and others. Indeed, in this author's view, the frustrations involved in frontline delivery are as great now as ever. National programmes imposed from Whitehall, with the occasional tweaking at regional level, often cause difficulties at the operational level because the requirements for implementing projects are not fully thought through. This can be as much a problem with regionally designed programmes by RDAs, which again is often caused by unrealistic target setting at a national level.

Civil servants constructing policy in Whitehall often do not understand the practical difficulties involved in implementing funding programmes on the ground. As a result, the rules and regulations involved in the schemes are unnecessarily bureaucratic and complex. The increased involvement of performance systems and assessments, and greater involvement of the National Audit Office, increase paperwork and reduce risk taking. To quote from one frontline deliverer:

'Front line teams who know what is needed to deliver scheme objectives are not empowered to make decisions needed to short circuit cumbersome procedures. We feel strongly that we should be given responsibility to take decisions and take the rap if things go wrong. That is what professional staff should be paid for and get job satisfaction from. There has been some slight movement in this direction

but nowhere near enough. The overall … culture is still driven by a fear of risk taking.' (Haskins 2003: 35)

So what can be done to resolve this issue? Lord Haskins had the right idea when he recommended the following, although these should apply across the board, not just to Defra:

- 'The separation of policy and delivery functions should oblige government departments to consult delivery organisations in the earliest stages of policy formulation and to ask the latter to put forward proposals for the effective delivery of policy. In this way, delivery organisations will be more accountable for the effective management of programmes, and there should be less duplication between existing regional and local schemes' (Haskins 2003: 37).
- 'Deliverers should agree targets with Defra, working with the Treasury, rather than having unrealistic ones imposed.... In this way, delivery organisations will accept greater ownership of these targets, which will be more achievable and less vulnerable to manipulation. There should be a greater emphasis on setting rural targets that are linked to real outcomes rather than outputs' (Haskins 2003: 38).
- 'Delivery organisations should have the maximum flexibility to allocate resources in the most effective ways, whilst keeping the necessary discipline over administrative costs' (Haskins 2003: 40).

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5. Poverty, social exclusion and welfare in rural Britain

Paul Milbourne

Poverty remains a hidden phenomenon in rural Britain. Its presence is obscured by small and scattered settlement structures, the arrival of ex-urban affluent groups and the limited provision of welfare facilities in these areas. In addition, dominant media discourses continue to construct rural areas as comfortable, middle-class spaces within which social problems such as poverty are viewed as out of place. The significance of rural forms of poverty is further downplayed by statistical constructions of disadvantage. While sophisticated indices of multiple deprivation have been developed over recent years, most of these are based on concentrations of problems in particular places. This means that they tend to direct attention towards metropolitan spaces (where such spatial concentrations are evident) and away from rural areas (where the poor and non-poor are less strongly segregated).

Other forms of statistical information that have emerged over the last few years, however, highlight the significance of poverty and social exclusion in rural areas. Since the early 1990s, a number of academic and policy studies have generated a large volume of evidence on the scale and nature of poverty and exclusion in rural Britain. The aim of this chapter is to provide a critical review of this evidence. The chapter draws on a broad range of findings from different studies, undertaken from the 1980s to date, to paint a comprehensive picture of poverty and social exclusion in rural areas. The chapter also considers policy responses to rural forms of poverty and exclusion through a discussion of the effects of New Labour's welfare programmes on rural areas and of the development of rural anti-poverty initiatives.

The chapter is divided into four sections. In the first, attention is focused on how poverty and social exclusion are defined. The second section then sets out evidence on the scale, geographies and profile of poverty in rural areas, as well as on the connections between rural poverty and social exclusion. Section three moves the focus of the chapter on to welfare assistance, by providing a discussion of policy responses to poverty and exclusion in rural areas. Particular attention is given to the development of national and local welfare policies in Britain, and the recent emergence of evidence of the rural impacts of welfare restructuring in the United States. The chapter ends with a critical review of the state of knowledge on poverty, social exclusion and welfare in rural areas.

Defining poverty and social exclusion

Before highlighting evidence on rural poverty and social exclusion in Britain, it is necessary to discuss the definitions of these terms. In relation to poverty, two types of definition can be identified within the academic and policy literatures. The first is an 'absolute' one, based on an objective definition of the minimum standard of living required to sustain life – in terms of food, clothing and shelter – and is concerned with biological and physical needs. It was this notion of poverty that was used within the early poverty studies in England (see Booth 1889, Rowntree 1901). However, improvements in standards of living over the twentieth century, together with the establishment of national systems of welfare provision in the 1940s, led researchers to question the usefulness of absolute notions of poverty.

In the early 1980s a 'relative' definition of poverty, linked to the pioneering work of Townsend (1979), began to be discussed by researchers. Townsend proposed that households could be classified as poor 'when they lack the resources to obtain the types of diet, participate in the activities and have the living conditions and amenities which are customary, or at least widely encouraged or approved, in the societies to which they belong' (1979: 31). Furthermore, his research indicated that a poverty threshold could be identified at 140 per cent of a household's state benefit entitlement. A later study by Mack and Lansley (1985), using a more sophisticated version of Townsend's methodology, indicated a similar poverty threshold of 135 per cent of benefit entitlement. More recently, poverty thresholds have been defined in relation to official statistics on national income levels. Adopted by the New Labour governments, the European Commission and a range of UK anti-poverty organisations, poor households have been defined as those with incomes of less than 60 per cent of the national median income level.

By the mid 1990s, the UK social welfare agenda began to be reconfigured around the concept of social inclusion/exclusion. With its origins in European solidarity discourses of society and welfare, social exclusion can be taken to indicate a rupture of the social bond between the individual and society (Silver 1994). In the early 1990s, the European Commission shifted its welfare policy programmes from anti-poverty to social inclusion. In 1997, the UK Government formally accepted social exclusion as its key welfare policy tool and established the Social Exclusion Unit to ensure the development of social inclusion policies across government. The Social Exclusion Unit adopted what can be termed a 'poverty-plus' definition of social exclusion, which focuses on the broader range of disadvantages that are experienced by poor groups in particular local contexts.

Academic researchers have sought to provide more comprehensive definitions of social exclusion. Room was one of the first authors to do this.

He proposed that social exclusion represents a 'process of becoming detached from the organisations and communities of which society is composed and from the rights and obligations that they embody' (1995: 243). A couple of years later, Walker and Walker set out a similar definition of exclusion as a 'dynamic process of being shut out, fully or partially, from any of the social, economic, political or cultural systems which determine the social integration of a person in society' (1997: 8).

More recently, researchers have tried to develop operational definitions of social exclusion by unpacking its constituent parts. Three of these definitions are worthy of mention here. First, Burchardt *et al* (1999) identified five key dimensions of social exclusion: consumption, savings, production, political activities and social activities. A second attempt to provide a working definition of social exclusion was made by Percy-Smith (2000) who set out seven main components of exclusion: economic, social, political, neighbourhood, individual, spatial and group. The third, and perhaps most useful, working definition of social exclusion developed to date is that provided by Gordon *et al* (2000), who propose four main dimensions: impoverishment or exclusion from adequate income or resources; labour market exclusion; exclusion from housing and key services; and exclusion from social and community relations.

Poverty and social exclusion in rural Britain: an overview of research evidence

It is now 20 years since the first research findings on rural poverty in Britain were published (McLaughlin 1986). Since then, a number of academic and policy studies have examined the extent, social profile and geographies of poverty in rural areas. Various methodological tools have been used to investigate rural poverty, including large household surveys, national spatial analyses of Census and other government survey data, and local qualitative studies. Over the last few years, attempts have also been made to explore the nature of social exclusion in rural areas. This section provides a critical overview of key findings from these various studies.

The scale of rural poverty

The evidence that emerges from studies undertaken over the last two decades points to the presence of a significant minority of households living in poverty in many areas of the British countryside. Five major household surveys undertaken over this period indicate broadly similar levels of poverty in rural areas. A survey of 750 households in five areas of rural England in 1980–81 conducted by McLaughlin (1986) showed that an average of 25 per cent of households were living in, or on the margins of, poverty (based on Townsend's 1979 poverty indicator).

A repeat survey by Cloke *et al* (1994) in 1990–91 in these five areas and in another seven study areas in rural England, covering 3,000 households, revealed 23 per cent of households in the 12 areas living in, or on the margins of, poverty and an identical rate of poverty in the five areas included within the previous study. A third survey of 1,000 households in four areas of rural Wales in 1991–92, by Cloke *et al* (1997), indicated that 27 per cent were living in, or on the margins of, poverty. Fourth, a survey of households in four areas of rural Scotland in the mid 1990s by Shucksmith *et al* (1996) indicated that 65 per cent of heads of household had incomes below the Low Pay Unit's low pay threshold. Most recently, a survey of 4,000 households in rural Wales, undertaken in 2004, revealed 25 per cent of households living below the poverty line (defined as 60 per cent of the median income level) (Milbourne and Hughes 2005).

Analyses of low income

Efforts have also been made by rural researchers to analyse income data contained within national government databases. Utilising data from the British Household Panel Survey (BHPS) for the first half of the 1990s, Chapman *et al* (1998) calculated that 18 per cent of households in rural Britain had gross incomes of less than half the national mean income in 1995 and that 34 per cent of rural households had experienced a period of low income between 1991 and 1995. However, both these figures were lower than those recorded for 'non-rural' areas (24 per cent and 41 per cent respectively). Four years later, Harrop and Palmer (2002) used the same government survey data to reveal an identical level of low income in rural England (18 per cent) in 2000–01. The analysis also pointed to the persistence of low income in rural areas, with 36 per cent of those households that had experienced low income between 1997 and 1999 living on low incomes in all three years. This figure compares with 33 per cent of low-income households in urban areas.

A more recent analysis of local income data for Wales indicates similar proportions of households on low income in rural areas. In 2003, one fifth of working households in rural Wales were on low income (below 60 per cent of the national median income), a rate identical to that in 'urban' areas and only marginally below the level of low income in the 'Valleys' (Milbourne and Hughes 2005). In addition, seven of the nine rural local authority areas in Wales had at least one fifth of working households on low income.

The geographies of rural poverty

Evidence from the household surveys and the analyses of income data highlights some interesting geographies of poverty in rural Britain. Differences in the scale of low income and poverty are apparent between so-called remote and accessible rural areas, with the remoter rural areas – those located away from the main population centres – recording higher levels of low income and

poverty. Cloke *et al*'s (1994) survey of households in 12 areas of rural England, for example, revealed Northumberland and North Yorkshire as having the highest levels of low income, and Warwickshire, West Sussex and Cheshire the lowest in the early 1990s. In addition, Harrop and Palmer's (2002) analysis of the BHPS indicates that 21 per cent of the population were living in low-income households in remote rural areas in England in 2000–01, compared with 17 per cent in accessible areas. A similar geographical distribution was apparent in relation to persistent forms of rural poverty, with 43 per cent of low-income households in remote areas remaining on low incomes between 1997 and 1999, compared with 29 per cent in accessible rural areas.

More recent analysis of income and state benefit data in rural Wales (Milbourne and Hughes 2005) reinforces this spatial pattern of low income in rural areas, with the remoter north-western areas of rural Wales recording the highest levels of unemployment, benefit receipt and low income. Figure 5.1 shows the spatial distribution of low-income households at ward level within Wales for 2003. It is clear from this map that highest proportions of low-income households are found mainly in the western areas of Gwynedd and the Isle of Anglesey, southern Ceredigion, Carmarthenshire and Pembrokeshire, as well as the North Wales coastal belt. It is also apparent from this figure that levels of low income in these areas of rural Wales are similar to those recorded in the southern ex-industrial Valleys.

Figure 5.1 Proportion of households with annual incomes below £10,000 in Wales in 2003, by ward

Legend

Less than £ 10,000 (%)

- 25.29 - 39.26
- 18.99 - 25.28
- 13.02 - 18.98
- 2.28 - 13.01
- RURAL OUTLINE

Source: Milbourne and Hughes (2005: 19)
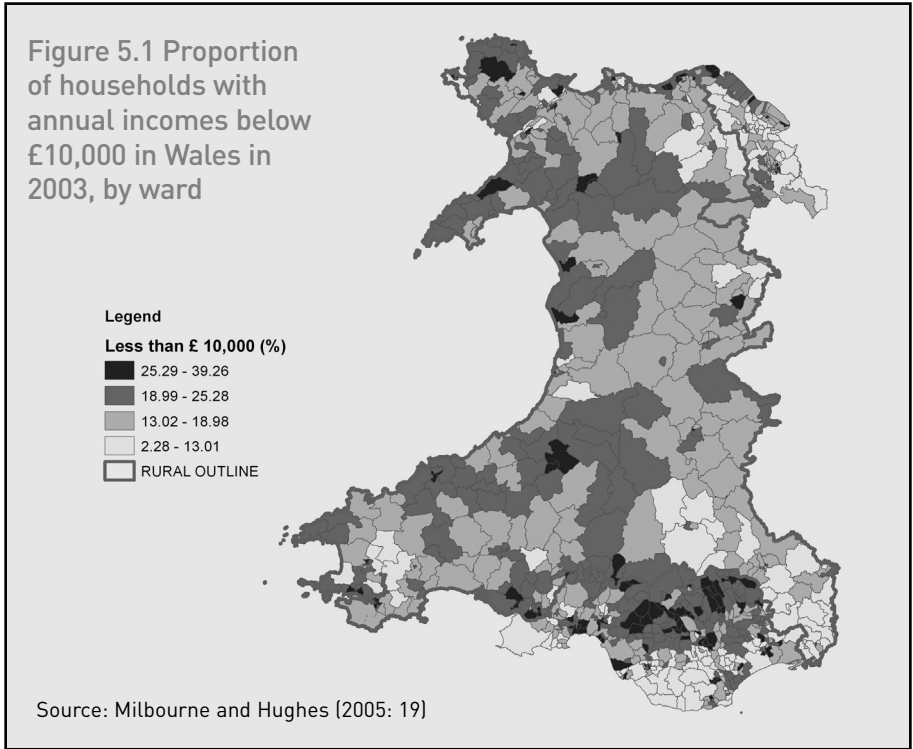
As well as highlighting the scale and geographies of poverty in rural Britain, recent studies have provided important information on the profile of the rural poor.

Age profile
Rural poverty is mostly associated with older-person households. Evidence from the Cloke *et al* (1994, 1997) household surveys in the early 1990s indicates that people aged over 60 years accounted for almost seven out of ten households in poverty and that 42 per cent of all poor households comprised single-elderly-person households. The more recent survey of households in rural Wales (Milbourne and Hughes 2005) reinforces this older profile of the rural poor, with 36 per cent of respondents in poor households aged 65 years or over and 28 per cent aged 55–64 years (compared with 21 per cent and 23 per cent of all households respectively). Furthermore, Harrop and Palmer's analysis of BHPS income data reveals that the proportion of the low-income population comprising elderly households in rural areas is higher than in urban areas.

Economic activity – or inactivity
What follows from this age profile is that a significant proportion of the rural poor are economically inactive – 54 per cent of low-income households in rural England in 2002 (Harrop and Palmer 2002) and 71 per cent of poor households in rural Wales in 2004 (Milbourne and Hughes 2005) were not working – and that the vast majority of economically inactive households are retired. In fact, the unemployed comprise only a small proportion of the non-working rural poor population. For example, just 10 per cent of the economically inactive in rural Wales were unemployed in 2004 (Milbourne and Hughes 2005), and just seven per cent of all low-income households in rural England included people who were unemployed and seeking work in 2002 (Harrop and Palmer, 2002).

Approximately one half of people in work in poor households in rural Wales in 2004 were in full-time paid employment, with 29 per cent in part-time jobs and 20 per cent self-employed (Milbourne and Hughes 2005). In addition, low-income workers were more likely to be employed in smaller private-sector firms, with almost half of working respondents in low-income households based in private companies employing fewer than 25 people (compared with 33 per cent for the total sample). Conversely, low-income workers were under-represented in large private-sector firms and in public-sector organisations. Seven categories of employment accounted for around three quarters of all low-income workers in rural Wales: hotels and catering (15 per cent), health and social work (14 per cent), manufacturing (12 per cent), public administration and defence (nine per cent), education (eight

per cent), agriculture, hunting and forestry (seven per cent), construction (six per cent) and transport, storage and communications (five per cent).

Housing
Rural poverty is also associated with a mix of housing tenures, four out of ten poor households in rural areas in the early 1990s owning their properties (Milbourne 1997) and the significance of home ownership among the rural poor population appears to have increased over recent years. Evidence from the 2004 rural Wales survey (Milbourne and Hughes 2005), for example, reveals that 65 per cent of poor households were owner-occupiers, with most owning their property outright, and that only 21 per cent of poor households were living in social rented housing.

Recognition of poverty
It is also clear from the various studies that the presence of poverty in rural areas is denied by most residents and that the poor are more likely to deny local poverty than the non-poor. Only 27 per cent of respondents in poor households in the Cloke *et al* (1994, 1997) surveys recognised the presence of deprivation in their areas, compared with 36 per cent of all households. Similarly, the 2004 household survey in rural Wales reveals that while 41 per cent of respondents in low-income (less than £10,000 per year) households recognised local poverty, the figure for high-income respondents (with household incomes above £31,000 per year) was 45 per cent (Milbourne and Hughes 2005).

Rural poverty and social exclusion
The relationship between poverty and other dimensions of disadvantage in rural areas has been the subject of critical discussion for almost 30 years (see Shaw 1979, Walker 1978, McLaughlin 1986, Cloke *et al* 1994). Attention has been given to both structures and processes of disadvantage that affect rural residents, and the multiple forms of disadvantage experienced by poor groups in rural areas. The growing significance of the concept of social exclusion within social welfare research and policy over the last ten years has led to further work on exclusion in rural Britain. Within this section, attention is given to two recent studies that have sought to examine the relationship between poverty and social exclusion in rural areas.

Dimensions of disadvantage
A re-analysis of data from the early 1990s rural household surveys in England and Wales has explored five key dimensions of disadvantage in rural areas: consumption, employment, income, savings and social relations (Cloke and Milbourne 2001). Several key findings can be identified from this work. First,

significant minorities of the rural poor lacked 'taken-for-granted' household items. For example, 33 per cent were without central heating, there was no telephone in 23 per cent of poor households, and 21 per cent did not have washing machine. In addition, 65 per cent of poor households had not taken a holiday away from home in the year before the survey. Second, the working poor were engaged in local jobs characterised by low wage and skill levels, and unprotected by trade unions. Third, while a high proportion of respondents in poor households expressed a sense of belonging to the local community, the poor were much less likely to be involved in the organisation of local community activities than the non-poor.

More recently, Gordon *et al*'s (2000) dimensions of social exclusion – labour market exclusion, exclusion from key services, and exclusion from social networks – have been examined within rural Wales (Milbourne and Hughes 2005).

Employment
The survey of 4,000 households highlighted that one quarter of all respondents had experienced difficulties in securing employment, with such difficulties mentioned by a higher proportion of low-income respondents (32 per cent). The most commonly reported employment difficulties were the limited availability of employment in the area (mentioned by 38 per cent of all respondents), suitability of local jobs (38 per cent), difficulties getting to places of employment (eight per cent) and wage levels (six per cent).

Access to services
This research also examined people's abilities to access key services and facilities. Just under one quarter of all respondents (23 per cent) reported limited mobility resulting from a long-term illness, with this figure rising to 38 per cent among those in poor households. In addition, 11 per cent of all households and 32 per cent of poor households did not have access to a private vehicle. This difference between poor and non-poor households was also similar for internet access, with 41 per cent of all households not owning a personal computer with an internet connection, compared to 66 per cent of poor households.

Access to health, education, retail and leisure facilities appeared to be unproblematic for the vast majority of respondents, even when some of these facilities were absent in the local area. Only a dental surgery (18 per cent), cinema (18 per cent), general hospital (13 per cent) and police station (11 per cent) were reported as being problematic to access by more than one in ten respondents, and there were no noticeable differences between poor and non-poor groups in terms of accessing services. However, other research in rural Wales (White and Hughes 2005) indicates that, in 2004, more than nine out of ten communities had no local support

services for the unemployed, homeless groups, people with drug problems or women suffering domestic violence. In addition, three quarters of communities lacked any provision for vulnerable young people and more than half were without any support services for vulnerable elderly groups.

Social and community capital

Turning to the final dimension of social exclusion identified by Gordon *et al* (2000), most (poor and non-poor) respondents in rural Wales identified high levels of social and community capital (see Milbourne and Hughes 2005). For example, two thirds of respondents reported that they spoke with neighbours 'several times a week', with the proportion of respondents from poor households reporting this degree of contact with neighbours higher – at 74 per cent. The vast majority of poor and non-poor respondents also expressed general satisfaction with local living and felt that they belonged to their local community. More than nine out of ten respondents in both groups agreed with the statement, 'I definitely enjoy living in my community' and about 80 per cent agreed that, 'I consider myself to be a member of the local community'. However, 12 per cent of respondents said that they felt excluded from their local community and 19 per cent agreed with the statement that, 'It can feel isolating living in your area'.

Tackling poverty and social exclusion in rural areas

British rural welfare researchers have paid relatively little attention to the policy responses to poverty and exclusion in rural areas. This section focuses on these policy responses. It discusses welfare interventions at three spatial scales: national welfare programmes developed by New Labour governments; national rural welfare initiatives; and local anti-poverty policies in rural areas. Given the similarities to the welfare-to-work programmes developed under the Clinton administrations, this section also draws on recent research evidence on the rural impacts of welfare restructuring in the United States.

New Labour and welfare restructuring

There has been a great deal of recent discussion about the underpinnings, nature and impacts of welfare restructuring implemented by the three post-1997 Labour governments. An early critique by Lister (1999) identified three main features of national welfare policy under New Labour. First, she suggests that there has been a switch from notions of equality to those of equality of opportunity, involving an increased emphasis on education, training and paid employment at the expense of income redistribution. Second, she points to a policy transition from poverty/anti-poverty to social exclusion/inclusion, through which education and paid employment are viewed as the main

mechanisms for achieving social inclusion. Third, Lister identifies a move away from universal rights to welfare support, to individual responsibilities and obligations associated with welfare assistance.

Central to Labour's approach to welfare has been a programme of welfare-to-work that bears strong similarities to those developed in the United States by the Clinton administrations. New Labour's welfare-to work programme is composed of 'a range of policies designed to reduce "welfare dependency" through paid work, usually combined with in-work social security benefits' (Lister 1999: 220). This welfare programme has been implemented through a number of 'New Deals' focused on different groups, including long-term unemployed young people, lone parents and long-term unemployed adults.

The Labour governments have also introduced other broader policies containing anti-poverty components. Burden suggests that two types of policy can be identified. The first is concerned with tackling poverty in work and consists of policies 'designed to compensate for the failure of the labour market and the benefit system to provide all workers with incomes adequate for meeting their needs' (2000: 48). Most notable here are the minimum wage and the working-family tax-credit schemes. The second type that he identifies consists of a series of policies aimed at certain groups of the poor population, such as women, lone parents, children and families, the disabled and older people.

The impacts remain unclear

While these schemes are likely to have had positive impacts on the rural poor, there has been little robust evaluation of Labour's welfare policies in rural areas. A Cabinet Office (2000) report on rural areas, for example, was able to draw on very little empirical evidence on the impact of government welfare policy on rural areas. It points to data that show that the New Deal for unemployed young people had been marginally more successful in rural than urban areas, with 45 per cent of rural participants finding employment, compared with 43 per cent of those in urban areas. However, there is no reliable research evidence on the impacts of this and other welfare policies. In order to find such evidence, we need to travel across the Atlantic to the United States.

The rural impacts of national welfare restructuring: evidence from the United States

Much of Labour's restructuring of the British welfare state has its roots in recent welfare shifts in the United States, and particularly those initiated by the Clinton administrations. Of particular interest to American (rural) welfare researchers has been the 1996 Personal Responsibility and Work

Opportunity Reconciliation Act (PRWORA). This Act represented a new approach to welfare, placing a stronger emphasis on dealing with the barriers to work faced by the long-term unemployed and removing universal rights to certain types of welfare support. According to Tickamyer (2006: 418), the 1996 Act 'ended the 60 year history of New Deal and War on Poverty entitlements, eliminating the primary programme of cash assistance, and put new limits on the eligibility for and receipt of assistance'.

Several researchers have examined the impacts of this programme of welfare structuring in rural America. Early discussions of PRWORA indicated that its likely impacts in rural areas would be different from those in the cities (Findeis *et al* 2001). It was also claimed that welfare restructuring could create new problems for dealing with poverty in rural areas. The Rural Poverty Research Institute suggested that 'given differences such as higher levels of underemployment, lower wages, greater distances to employment and program sites, and fewer community resources, it is likely that rural areas face unique challenges in meeting the requirements of welfare reform' (1999: 28).

A mixed set of impacts

Since its implementation in 1996, a growing body of research evidence has emerged on the impacts of PRWORA in rural areas. This indicates that the overall number of welfare recipients has fallen dramatically in rural and urban areas since the mid 1990s (Housing Assistance Council 2002). While some of this reduction in the welfare caseload has been associated with national economic growth, it is generally accepted that the 1996 Act has played an important role in lowering the number of caseloads (Joint Center for Poverty Research 2000). However, other research indicates that the level of poverty among working households in rural areas has not declined since 1996 and that child poverty rates in rural areas have declined at a lower rate than in urban and suburban areas (Rural Poverty Research Institute 1999).

A major study of the implementation of welfare reform in rural communities across four states (Pindus 2001) highlights positive impacts of the welfare-to-work reforms among welfare managers as well as increased living standards among those who have made the transition from welfare to work. However, Pindus warns that the longer-term impacts of welfare restructuring will be dependent on more structural responses to rural problems:

'In rural areas, there are few opportunities for individuals to advance beyond the income and benefits available in the entry-level jobs they have obtained. Longer-term systemic solutions, including economic development and transportation to more distant employment centers, will be required' (Pindus 2001: 20).

Another important feature of PRWORA is the flexibility that it awarded to individual states to develop anti-poverty programmes. This devolution of welfare has been viewed by some as opening up new opportunities for the development of policies that are better able to deal with the specificities of problems in particular rural places (Findeis *et al* 2001). For example, the Rural Poverty Research Institute (1999) points to increased levels of community collaboration in rural areas, with training programmes moulded around the specificities of local economies and local employment opportunities.

Others have been more critical, highlighting the dangers of placing too much emphasis on bottom-up approaches to tackling poverty in rural areas. Using findings from three case studies in the rural US, Duncan argues for the need to retain 'federal oversight' of welfare provision to ensure that those 'local and state elites who benefit from the status quo' (1999: 204) are not able to use new local welfare powers to serve their own interests. In addition, the Joint Center for Poverty Research (2000) suggests that welfare policy – whether focused at national or local level – needs to be more sensitive to the distinctive features of poverty in rural areas, recognising the structure of labour markets, transport needs, welfare service delivery, child-care provision, and the specific needs of persistently poor areas.

National responses to poverty and social exclusion in rural England

In the first ever English Rural White Paper, produced by the Conservative Government in 1995 (DoE/MAFF 1995), there was no reference to the existence of rural poverty, let alone policies to deal with poverty in rural areas. This is despite the fact that the Department of the Environment and the Rural Development Commission had published research the previous year that revealed that an average of 23 per cent of households in 12 study areas were living in poverty (Cloke *et al* 1994). Similarly, the Rural White Paper for Wales published the following year (Welsh Office 1996) also lacked any discussion of poverty or disadvantage, despite government-commissioned research having highlighted the significant presence of poverty in rural Wales (Cloke *et al* 1997).

The election of the New Labour Government in 1997 brought with it a more progressive anti-poverty agenda, although its initial efforts were focused on the most concentrated and visible occurrences of poverty and exclusion in metropolitan areas. Two factors can be identified that began to shift attention to rural welfare issues: the Countryside Alliance's campaigns to protect hunting with dogs, which highlighted a diverse set of problems faced by people in rural areas, and the (unexpectedly) large number of newly elected Labour MPs with rural or semi-rural constituencies.

In one of its first major statements on rural areas, the Cabinet Office high-lighted how the Government's national policies were tackling poverty and disadvantage in rural and urban areas, and stressed that the Government was sensitive to the particular manifestations of disadvantage in rural areas. To quote from the Cabinet Office report, 'an important aspect of [national] policy development and monitoring is checking that these mainstream pro-grammes take proper account of the needs of those living and working in the countryside' (2000: 77). The Labour Government's first Rural White Paper was also published in 2000 (DETR/MAFF). While there was little explicit reference to tackling poverty within this document, attention was given to the increased provision of quality public services in rural areas, including affordable housing, transport, health and education, and the retention of key retail facilities, such as post offices. In addition, the White Paper committed the Government to consider the impacts of all domestic policy on rural areas. Termed 'rural proofing', this form of rural impact assessment included consideration of the likely impacts of government pol-icy on low-income groups and other disadvantaged groups in rural areas.

Under the 1998 Comprehensive Spending Review, the Countryside Agency was awarded almost £1 million to fund a programme of work to tackle social exclusion in rural England from 1999–2002 (subsequently extended to 2005). The Rural Social Exclusion Programme comprised two main phases of work: the first, running from 1999–2002, sought to estab-lish measures that could identify and tackle social exclusion in rural areas. Attention was given to raising the profile of rural forms of social exclusion and highlighting good practice in relation to social inclusion initiatives in rural areas. The second phase (2002–2005) focused on three main themes: encouraging community and social enterprise, with a particular emphasis on the links between rural regeneration and social inclusion projects; sup-porting socially excluded young people; and identifying and targeting rural deprivation.

An evaluation of the first phase of this programme highlights 'the wide range of work it has supported and the number of partnerships that have been brought together across public, private and voluntary sectors to test innovative solutions to rural social exclusion' (John Morris and Associates 2002: 1). Individual projects were shown to have covered a series of themes, including the rural impacts of the New Deal, access to skills and training, health and community services and community finance, as well as the needs of various disadvantaged groups in rural areas, such as the elderly and young people. In providing an overall evaluation of the Rural Social Exclusion Programme, John Morris and Associates stress the importance of understanding the particular elements of rural forms of social exclusion: 'tackling rural social exclusion requires policies and programmes which

reflect the unique nature of rural circumstance and build on different approaches to delivery' (2002: 3).

The Commission for Rural Communities is continuing to provide research and advocacy on social exclusion in rural areas. It has embarked on a major programme of research to discover the extent, nature and experiences of different forms of disadvantage in rural England. In Wales, the Welsh Assembly Government has established the Wales Rural Observatory to provide evidence on a broad range of socio-economic problems in rural areas.

Local anti-poverty initiatives in rural areas

Alongside these national programmes of welfare assistance, there has been a great deal of local action in recent years to tackle poverty and social exclusion in rural areas. Frustrated by central government's lack of recognition of rural forms of poverty in the early 1990s, individual local agencies began to develop innovative packages of welfare assistance for disadvantaged groups within their areas. What was significant here was the development of anti-poverty strategies by rural local authorities from the mid to late 1990s. At the core of these strategies was an attempt to 'join up' anti-poverty policy across departments of local government, and between local government and other welfare agencies, in an attempt to deal more effectively with local poverty.

This anti-poverty work has generally involved the profiling of poverty within the local authority area and the development of new policies aimed at dealing with poverty at a local level. Examples of schemes implemented include concession schemes, childcare programmes, debt-prevention projects, affordable housing schemes, the increased provision of welfare rights advice services, and benefit take-up projects.

Three themes have run through many of these initiatives. First, attempts had been made to decentralise anti-poverty services to make them more accessible to client groups. This had been achieved by establishing area-based community workers and a number of one-stop advice shops, through which local people can get information about a range of council services. A second crosscutting theme is the emphasis placed on increased and improved intra- and inter-departmental communication and collaboration. Local authorities have attempted to co-ordinate the actions of different departments to provide more effective anti-poverty services. This has involved the development of closer working relations between benefits, revenue, leisure and trading standards departments in dealing with poverty. Third, efforts have been made to improve partnership working with other agencies drawn from the public and voluntary sectors, such as local health authorities, the Benefits Agency and rural community councils.

While there has not been any national assessment of anti-poverty strate-

gies in rural areas, research in south west England (Milbourne and Cursons 1997) showed that these strategies had gone a considerable way in raising the local profile of rural poverty and providing more co-ordinated, inclusionary and flexible approaches to tackling poverty in rural areas (see also Local Government Association 2003).

Conclusions

It is clear from the evidence presented in this chapter that poverty affects the lives of a significant minority of households in rural Britain. It is also the case that poverty has been a persistent feature of life in the British countryside, with surveys highlighting approximately one quarter of rural households living in poverty in the 1980s, 1990s and 2000s. Moving beyond these headline statistics, the research evidence indicates that poverty levels have been, and remain, higher in the more remote rural areas – those places located away from the main population centres – than in the peri-urban countryside, although pockets of high poverty levels do exist in accessible rural areas.

A different profile of poverty

The profile of rural poverty would appear to cut against popular and policy discourses of poverty in contemporary Britain. The vast majority of the rural poor are elderly; most are property owners and own cars, although many may have been pushed into private ownership through a lack of public housing and transport in rural areas. Those in work significantly outnumber the unemployed among the non-elderly poor population. In addition, the rural poor tend to express general satisfaction with their local areas and to feel included within the social fabric of their local communities.

Gaps in the evidence about rural poverty

While researchers and policymakers can now draw on a broad range of evidence on the shifting scales, social profiles and geographies of poverty in rural Britain, there remain some important omissions in our understandings of rural poverty and social exclusion. Three particular gaps can be identified. First, relatively little is known about the experiences of poverty among different groups in rural areas. While some work has been undertaken on the homeless poor (see Cloke *et al* 2002) and children and young people (Davis and Ridge 1997), further studies are required on the experiences of other poor groups in the countryside, including older people, lone parents, the unemployed, and working households. Second, the local contexts of rural poverty have been largely ignored. There remains a need to examine the influences of local social, economic, cultural and political compositions on the nature and experiences of poverty in particular rural

places. Third, little critical attention has been given to the relationship between poverty and social exclusion in rural contexts. While a small number of studies have pointed to strong connections between material poverty and broader dimensions of disadvantage or social exclusion, further research is needed to examine the nature of these connections among different social groups and in different rural places.

Devolved systems of welfare

Turning to policy, it is likely that New Labour's national programme of welfare restructuring will have had positive effects on rural areas. However, there is little evidence to confirm such an assertion. Recent studies of similar welfare initiatives in the United States provide some evidence on their rural impacts, revealing a sharp decline in the number of welfare recipients in rural areas but also a rise in the working poor population. Furthermore, while the devolution of welfare in the United States has encouraged the development of more flexible local policies that can meet the needs of particular rural places, these devolved systems of welfare may be unable to deal with the deeper structural causes of poverty and remain at risk of being undermined by local elites.

Defra and the Commission for Rural Communities are beginning to address some of these evidence gaps in relation to welfare policy impacts in rural areas, but it is clear that further work is needed on the vertical and horizontal dimensions of welfare provision in rural areas – the former being concerned with national–local welfare linkages, the latter with the delivery of welfare assistance by state and non-state agencies in particular rural places. If focused on a range of rural localities and disadvantaged groups, such work should provide a robust evidence-based assessment of the state of welfare in rural areas.

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6. Rural services: provision and accessibility

Brian Wilson

> 'No amount of government help or local initiatives will save rural services unless they are wanted and used by local people.'

> 'There is a concern for those living in rural areas who cannot adapt easily to declining services ... They may be in the minority, but their disadvantage is no less a cause for concern and attention.'

> (Standing Conference of Rural Community Councils 1978: 52 and 1)

Rural service provision and accessibility is an immense and very diverse topic, ranging from local services like post offices and libraries through to networks such as telephone and energy supplies, or from more traditional concerns about costs and standards through to newer areas like e-delivery and engendering choice. These issues can be looked at from the perspective of service users and providers, and have implications that span public, private, and voluntary and community sectors at every level. For the purposes of this chapter it is, therefore, necessary to start with some structures and boundaries.

The evidence base is drawn upon under four main headings: the main issues and trends; challenges for policymakers and deliverers; the various policy responses; and likely future scenarios and policy agendas. This chapter does not attempt to summarise the evidence about each type of service (retail, schools, childcare, and so on) although it does draw upon them in addressing generic services issues. It focuses on services for rural communities and does not cover those serving only rural businesses (such as Business Link). Furthermore, on transport, which some may consider a service in its own right, the chapter restricts itself to transport's role in assisting wider access to services.

Where possible, figures quoted use the current definition of 'rural' – that is, all settlements with a population of less than 10,000 people. However, many analyses inevitably pre-date this definition and use other definitions. Whatever the definition used, one obvious point to make is that many of the services used by rural communities are in fact located in urban areas.

Access and availability

Concern about the loss of local service outlets in rural communities goes back several decades and it is notable how relatively little the reported trends or the reasons put forward to explain those trends have altered over this period. A groundbreaking report at the time (Standing Conference of Rural Community Councils 1978) pulled together evidence from surveys conducted across the rural south west and in a few other counties. It found consistent patterns of closures of rural primary schools, post offices, shops, chemists and doctors' surgeries during the 1970s.

By 1990, another report (Clark and Woollett 1990) had pulled together survey results, this time from rural community councils operating across 30 English counties. Once again, it found widespread closures of shops, post offices, schools and libraries, although it also concluded that the rate of decline was, by this stage, slowing and there were exceptions. For example, rural healthcare services appeared to be broadly stable. On the other hand, losses in some areas were severe: for example, the number of rural primary schools in Shropshire fell from 161 in 1978 to 117 in 1986. The report cited many inter-related factors behind these trends, including changing rural populations (especially affluent incomers), consumer behaviour, availability of premises, new professional standards, regulatory systems and deliberate service rationalisation.

The measurement of rural services became more systematic when the Rural Development Commission started commissioning regular surveys of the presence or absence of a wide range of services in England's rural parishes. A third of these surveys (Spilsbury and Lloyd 1998) noted the relative stability of service outlets from 1991–1997, although a particular worry was the loss of rural bus services: by 1997, three quarters of parishes had no daily bus service. On a more positive note, nurseries for children had become considerably more common.

Despite success in its own terms, not least, an 81 per cent response rate from rural parishes, this presence/absence survey was a somewhat crude measure of people's access to services, and the advent of geo-demographic data – pinpointing outlets and households in computerised map form – allowed the development of more sophisticated analyses.

Table 6.1 shows that the recent overall pattern is a modest level of closures, with a growing number of rural households without service outlets in their locality. This gradual loss is certainly true for key services like primary schools and GP surgeries. Losses of banks, building societies and post offices have been more marked, while cashpoint machines have become more common. By 2005, the cashpoint machine had become (numerically) the most common service in rural England. It may be significant that private-sector-run services had retrenched the fastest.

Service	2000	2005	Change 2000–05
Post office (2km)	90	85	-5
Bank/building society (4km)	66	60	-6
Primary school (2km)	88	87	-1
GP surgery (4km)	80	79	-1
Petrol station (4km)	90	89	-1
Cashpoint (4km)	85	90	+5

Source: Commission for Rural Communities (2005a)

The Scottish Executive has published its own geo-demographic analysis, using drive times for rural households from a range of twenty services (Scottish Executive 2002). Using drive times seems to be particularly suited to the often-complex topography and coastline of rural Scotland. This research confirms the message that many rural communities, especially in remoter areas, live some distance from service outlets. However, as a first Scottish report of its type, it does not show trends.

Complementary qualitative information about rural service changes, which also identified good practice, was collected annually from rural community councils and published by the Rural Development Commission and then the Countryside Agency. The last of these reports (Moseley and Chater 2005) found serious concerns about the future of post offices, small shops and village halls, but evidence of progress with rural childcare provision and rural policing. It noted 'an impressive spirit of innovation and diversification' (Moseley and Chater 2005: 4) among service providers and in terms of community enterprise, although, perhaps inevitably, this local dynamism was patchy in its distribution.

One response to concerns from rural communities, and those representing them, has been the development of a significant, and increasingly technical, evidence base to enumerate service outlets and rural people's access to services. Even if the pattern has not been uniform and if some closure rates have slowed, this evidence still indicates an overall trend of declining local services in rural settlements. Service locations have generally moved up the urban hierarchy and, in some cases, favoured out-of-town sites. Inevitably, one question for policymakers is, does this matter?

Satisfaction and expectations

What is interesting, given the trends reported above, is that rural communities consistently say they are more content with the quality of services they receive than their urban counterparts. The British Social Attitudes

Survey found that 53 per cent of those living in villages, hamlets and isolated dwellings were 'satisfied' with health service provision, compared to 43 per cent in urban areas (Commission for Rural Communities 2005a). An earlier report, based largely on focus group research, offers some explanation: 'What some lose in travel time they usually feel they more than make up for by continuity of relationship with doctors and nurses who know them, and by not being subject to the heavy pressures of urban areas' (Hedges 1999: 4). This research also identified reasonable levels of satisfaction with education provision.

The report by Hedges found that rural communities were concerned about the loss of local services, such as village schools and village shops, not only because the service was disappearing, but also because they believed this damaged the community and removed a social focus. However, people's actions – shopping in supermarkets, which they saw as cheaper and offering more choice – were the cause of such closures. Many local initiatives have now adopted the 'Use it or lose it' slogan.

Two policy initiatives that provided evidence of rural communities' priorities for their area were Parish Plans and Market Town Healthchecks. An evaluation report (Countryside Agency 2005) looking at 120 of these plans and healthchecks found that two related services issues were frequently identified as a concern: the inadequacy of public transport and the lack of facilities for young people. A poor range of shops also scored fairly high as a concern in market towns.

For the majority of people living in rural communities, who have their own means of transport, distance to services and lack of local outlets is unlikely to be seen as a particular problem. Some may simply be used to poor service accessibility, and have low expectations of services. Others, especially in-migrants, may have consciously decided to trade off local services and facilities in order to gain an 'idyllic rural' lifestyle. Nevertheless, it is important to consider how far these generalised surveys of rural opinion take note of the opinion of the less well-off or less mobile minority.

It is of considerable interest, therefore, that new research (BMRB forthcoming) identifies a significant minority of rural residents who say that it is difficult for them to reach services: 10 per cent for the post office, 11 per cent for a grocery shop and 16 per cent for a doctor's surgery. Furthermore, as Figure 6.1 shows, these figures are considerably higher for those without a car or who say they have financial difficulties.

Use of services

Analysis of the Rural Insights survey data (Stokes 2005) has shown that most rural people still make use of basic local services where they exist. This is true for both GP surgeries and schools. Nevertheless, the evidence confirms that rural people are more likely to use distant service outlets than

Figure 6.1: People with difficulty reaching services

Source: BMRB (forthcoming)
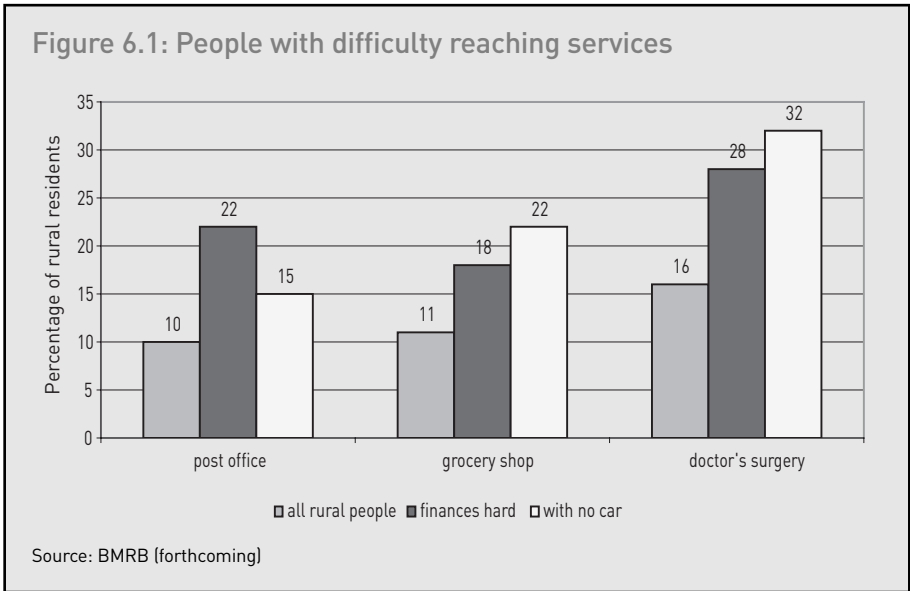
their urban counterparts. One notable finding is that, within rural communities, those who do not buy petrol (as a proxy for not owning a car) are roughly twice as likely as the petrol buyers to make use of local food shops.

Healthcare research has assessed whether those who live furthest from service outlets use them the least. In short, is there a distance decay effect? Survey results have shown that those living in hamlets and isolated dwellings are less likely to attend a GP surgery (O'Reilly *et al* 2001). Other work in Scotland has indicated that distance causes cancer patients in particularly remote areas to go for treatment when the cancer is at a more advanced stage (Cambell 2001). However, research in this area appears to be rather inconclusive about the impact on outcomes and how much lower service use results from distance or other factors.

It would also appear that local rural services are disproportionately valued and used by more disadvantaged groups. Survey work for the Post Office (MORI 2002) found above-average proportions of the elderly, disabled, carers and those without a car claiming that their post office (in both rural and urban areas) provided them with important services.

'Sparsity' costs

There is now a considerable body of evidence about the cost of service provision in rural areas, most of which relates to financial or resource allocation by central government to local authorities. The current resource allocation formula for this is known as the Formula Spending Share (FSS). Two broad types of extra cost are found: the additional unit cost in terms of mileage or travel time, where a service is delivered to the home (such as

waste collection or home visits by social services); and the lost economies of scale from smaller outlets (for example, a village school).

Indeed, the FSS has official recognition, in the sense that it contains so-called sparsity factors, which boost the allocation made for certain services, such as schools, homecare for the elderly, and environmental services for the more rural authorities. Similarly, an extra £30 million has been allocated by the Home Office annually for rural policing. In Scotland, allocations to health authorities also contain a rurality measure.

What constitutes fair resource allocation is, inevitably, a highly contested and complex issue, but various reports have sought to quantify whether the sparsity factors sufficiently cover the additional costs of rural provision. It is not possible simply to compare services and their costs in different local authority areas, since they all provide subtly different levels of service, using different mixes of delivery approaches. However, one report (Rita Hale and Associates with IPF 1996) concluded that 'allocation formulae tend to be based on indicators which characterise urban life' (*ibid*: vi) and that 'rural authorities are seldom compensated for the higher costs they may face in delivering services to sparsely populated areas' (*ibid*: vii). A slightly later report (Hale and Capaldi 1997) considered the impact on service levels, concluding that in more rural local authority areas, the population received fewer of those services where provision was discretionary. So, for example, older people were less likely to receive domiciliary care in rural than in urban authorities and there were fewer adult education classes in rural authorities.

More recent work has used geo-demographic data to model the unit (or standard) costs of service provision in different types of areas (Hindle *et al* 2004). It found that population distribution and settlement patterns were significant in explaining cost differences and that, across 10 local authority services, unit costs in mainly rural areas were, on average, more than double those in mainly urban areas (1.85 compared to 0.73 respectively). The report concluded that: 'Travel related costs and scale inefficiencies account for a much larger share of total budgets than is often realised' (Hindle *et al* 2004: 10).

Policy challenges

There has been a long-running rural policy debate about whether it makes more sense to take services to people (through a dispersed pattern of local outlets such as the post office network) or to take people to those services, through transport to service centres. There will, of course, be different 'right answers' for different services. To take an extreme example, village primary schools may be realistic, but no one would argue for village universities. Furthermore, most would recognise a difference between essential and

non-essential services, although few would confidently define the boundary between these two groups.

The use of hierarchies and models

Policy theory often recognises hierarchies of settlements, with some key services being delivered more locally, but other more specialised or less frequently used services located only in larger villages or rural towns. Key settlements policies around the 1960s adopted this as an approach and bear interesting comparison with the current checklist approach to sustainable development used in land-use planning, where new housing development is largely limited to those places that already have specific services. Meanwhile, recent attempts to renew market towns (see below) have been partly driven by a desire to see them once again becoming functioning rural service centres.

Models have been suggested, such as 'hub and spoke', with one central service outlet providing a full range of services, complemented by smaller (and possibly part-time) satellite outlets in surrounding smaller settlements. Other innovative providers have made transport part of the provision: in Caldbeck, Cumbria, a minibus brings people with mobility problems to the healthcare centre. However, it is usually the case that where services are provided centrally, transport is left to the user and, it could be argued, costs are being passed from the provider onto the users.

Moseley (1999) has used a triangular model to explain the near impossibility of realising three of the main policy drivers in rural areas. These are: the drive to reduce costs, the drive to improve service quality, and the emphasis upon more accessibility. His conclusion is that combinations of any two of these are achievable (such as low costs and good access through mobile provision), but achieving all three is, by and large, not possible (for example, mobile provision tends to be lower quality). Similarly, small village schools may generally be high quality and highly accessible, but they are not low cost. One implication of this model is that local rural delivery is frequently achieved at the expense of quality.

Why losing services matters

Moseley (1999: 1) identified five reasons why it might matter that local services are being lost from rural settlements. These are

- the impact on the quality of life of disadvantaged households, especially those lacking the ready use of a car
- the loss of social meeting places, which play an important part in community life
- the erosion of social balance within communities, when services can no longer support the least mobile

- the retention of local jobs in service outlets (which may be modest in number, but are important in smaller communities)
- the increased need to travel and the implications for sustainability objectives.

Inevitably, these reasons beg further questions about their relative importance, especially if the implication is that public-sector intervention (and possibly money) is required to secure local delivery. However, it could also be argued that there will be economic, social and environmental costs (externalities) if there is no intervention. Equally, it could be asserted that the number of rural people who are particularly disadvantaged through not having local services is likely to fall as car ownership continues to rise. However, this may be offset by the service demands from a growing elderly population and of new rural groups, such as migrant workers.

Government policy, in the form of the *Rural Strategy* (Defra 2004), recognises a strong equity argument for ensuring that rural communities have access to services (see Public Service Agreement targets below). It also appears to place the emphasis on accessibility to services, rather than on local service provision.

Continuing pressure on service delivery

However, key drivers of change seem certain to continue to put pressure on traditional models of service delivery. These include population and societal changes such as:

- increasing mobility and car ownership, with people prepared to travel further to access services
- rising consumer expectations about service quality and choice, which often favours large outlets over small ones
- lifestyle changes, with time at a premium and more people wanting one-stop access to services or to access them near their workplace.

Key drivers of change for service providers include:

- increasing specialisation within service areas, which is driving centralisation
- pressures to become more efficient and/or to meet cost and other targets.

That said, an increasing emphasis upon policy innovation and enabling new approaches should be helpful from a rural services' perspective.

These drivers are not unique to rural areas. Ghost Town Britain II (Oram *et al* 2003) noted that, in Britain, around 50 small and specialist shops were

closing every week – some of them in rural areas, but the majority in urban and suburban locations. However, it seems likely that the implications of these closures are greater for rural populations, because many will lack an alternative provider nearby.

If the implications for service users are that the disadvantaged are the main losers from these trends, the issue for many providers of local services is that they are serving a dwindling customer base, which increasingly consists of those on lower incomes. This is certainly the dilemma for the hard-pressed rural post office network, which, even in 1998, drew over 60 per cent of its customer base from the C2DE social categories (Performance and Innovation Unit 2000).

Policy responses

The range of policy responses to these challenges has been broad, including national and local initiatives, regulation, the fostering of community responses, sectoral policies and attempts to join up across sectors. This section outlines some of the main responses, but inevitably there have been others, such as the application of business rate rebates and local planning policies, which could have been included.

Universal Service Obligations

The use of Universal Service Obligations (USOs) is one of the most established ways to protect rural consumers of services in particular. Some USOs, like those applied to BT and the Royal Mail, enforce delivery to every household and business, however remote. Other USOs, such as those for electricity and gas, stop suppliers from charging their rural customers more for the extra supply costs they incur. With the opening up of the telecoms and postal markets to competition and new services, questions are being raised about the sustainability of USOs. For example, the issue was raised in a consultation document from Ofcom, the telecommunications regulator (Ofcom 2004).

Rural proofing

The last Rural White Paper (DETR/MAFF 2000) announced new national government initiatives, two of which were 'rural proofing' and the Rural Services Standard. Rural proofing committed central government departments to consider whether their policymaking was taking account of rural needs and circumstances, and then to adjust policies accordingly, where appropriate. Although the results of this policy have been judged to be mixed (if improving), specific service examples of good practice have been highlighted in annual monitoring and other reports. One of these was Sure Start, the service to give children from deprived backgrounds a better start

in life, which was initially targeted only at urban concentrations of deprived children and was operated out of existing childcare facilities, which were absent in most rural areas. Following rural proofing, these rules were changed and many rural Sure Start programmes are now being delivered (NCVCCO 2003).

A rather different example concerned the closure of magistrates' courts in market towns. Rural access to the justice system was made an explicit consideration for local Magistrates' Courts Committees when considering delivery changes in their area, as a result of which closure rates appear to have slowed and specific rural courts were saved from closure (Countryside Agency 2004a).

Rural Services Standard

The Rural Services Standard (DETR/MAFF 2000) set out a list of targets, standards and requirements for the delivery of everyday public services, so rural communities could be clear how the Government intended to provide them with equitable access. Examples included response times for emergency services, a presumption against the closure of village schools, and targets to provide online facilities in public libraries and online benefits advice. Many of these were not new standards: some were nationwide standards and others have simply been difficult to monitor. However, that is not to say that the initiatives they relate to have not benefited rural communities and some, like the presumption against village school closures and the requirement on the Post Office to prevent avoidable closures in rural areas, do appear to have had measurable impacts. Village school closures have hovered around the 10 per year mark and rural post office closures have fallen from around 300 to around 100 per year (Commission for Rural Communities 2005b).

New targets with the establishment of Defra

In the subsequent Government Spending Review, the new Department for Environment, Food and Rural Affairs (Defra) was signed up to a Public Service Agreement (PSA) target, one half of which was to 'improve the accessibility of services for rural people' (HM Treasury 2002: 27). For monitoring purposes, this was narrowed down further to five services: cash, information, transport, healthcare and education. A point of note is the extent to which Defra must rely upon policies made in other Whitehall departments if they are to meet that target.

The rationale for government action was set out in its *Rural Strategy* (Defra 2004), where services featured in one of three over-arching rural policy priorities: that of 'social justice for all' (2004: 24). This priority covers tackling social exclusion wherever it occurs and providing fair access to services and opportunities for all rural people.

This strategy and targeting has been encouraged at a local level, where some attempts have been made to develop a rural dimension within local government processes. The Beacon Councils scheme, which promotes local authority excellence and innovation, included a theme on improving rural services in its seventh round. A report on Local Public Service Agreement targets (Entwistle and Enticott 2004), where local authorities sign up to delivering enhanced outcomes in return for extra grant aid, found few rural examples among the initial set of targets, but did highlight those in Surrey, Wiltshire, Essex and West Sussex, where community transport was to be used to improve access to services. Local Area Agreements (LAAs), which aim to encourage more joined-up service provision, are the latest initiative and, again, there are a few examples where rural communities are likely to be among the beneficiaries, for example, in Dorset and the Peak District. Defra is also funding some specifically rural Pathfinders – pilot projects that aim to achieve more joined-up delivery of services, in a similar way to LAAs. In addition, certain locally inspired initiatives, such as the South Holland Rural Action Zone in Lincolnshire, have had significant service components – the Lincolnshire initiative aims to integrate health and social support services for the elderly, improve policing and make information services more accessible using mobile facilities.

Subsidies and grants

Cash – in the form of subsidy or grants – has also been a policy response. Recent attempts to retain the rural post office network has been under-pinned by £150 million per year of subsidy (the Social Network Payment): according to the Post Office, few rural outlets are commercially viable. Critical decisions about the future of this subsidy will be taken soon. The Rural Development Commission ran a Village Shop Development Scheme for some years, providing small grants to develop retail services.

The 2000 Rural White Paper then expanded upon this, announcing extra funding for a Vital Villages grants programme, which was managed by the Countryside Agency until March 2005, when the budget transferred to Regional Development Agencies. This programme comprised a small grant scheme to fund the drawing up of Parish Plans by local communities, then identifying their needs, and supplying somewhat larger sums to meet those needs in the shape of Community Services Grants and Parish Transport Grants. In its three years, the Vital Villages programme provided 2,683 grants, with the extent to which it had enabled communities to help themselves proving to be a key outcome.

The Parish Plans approach of defining needs locally has also been mir-rored at a larger scale through grants to pay for Market Town Healthchecks. These were undertaken in almost 200 larger rural settlements and have var-iously spawned local partnerships and action plans. As noted above, serv-

ices issues frequently came out as a priority for action in these healthchecks.

Joint provision of services

One delivery approach that has considerable promotion recently is joint provision, where different services and/or providers operate out of the same building or vehicle (sometimes also known as multi-service outlets). At its most basic, this has existed widely in rural areas for decades in the form of the village shop-cum-post office. An earlier study (Moseley and Parker 1998) found some more unusual examples, including a building in Stoke Ferry, Norfolk, used as a school, church, community centre and doctors' surgery. The approach was considered very worthwhile as a means to sustain local services in areas of low population density, with apparent benefits for both service providers and users. However, constraints included buildings unsuited to different services, and administrative or financial systems that hindered sharing between organisations.

A follow-up report (Moseley *et al* 2000) counted more than one example of joint provision per parish in the areas surveyed, with post offices and healthcare facilities the most commonly included. Another report (Harrop and Palmer 2000) concluded that there can be financial advantages for existing service providers from hosting new services and that relatively low-cost services – if sometimes also lower quality – could be delivered in this way.

Business in the Community's 'Pub is the Hub' initiative was subsequently promoted to encourage village pubs to develop as multi-service centres (Countryside Agency *et al* 2001). Estimates indicate that there are now some 200 post offices and 80 local shops within pubs. More ambitious mixes of services remain comparatively rare, but demonstration pilots have been attempted. For example, in the small market town of Reeth, North Yorkshire, a former bank branch hosts the Hudson House Enterprise Centre, which provides a council community office, a learning centre, a community police presence, a citizens' advice bureau, a visitor centre and an office running a community transport project. Looking forward, central government proposals to develop 'extended schools', including some in rural areas, will adopt the same principle using existing schools to host other activities.

Social and community enterprise

Social and community enterprise has also, increasingly, been seen as an appropriate rural policy solution, including plugging gaps in service provision by other sectors. This may have some validity, with research finding that the most significant benefits that these schemes bring to rural areas are social ones (Plunkett Foundation and the Countryside and Community Research Unit [CCRU], forthcoming). Furthermore, those profiting most from the examples studied were people who experienced disadvantage. One negative

factor of the sector appears to be the reluctance of these enterprises to attempt further growth once they have met the need for which they were established. However, as profit maximisation is not their priority, social enterprises may be well suited to operating in rural areas with their small populations.

Online accessibility

It is worth noting that all local government services were supposed to be accessible online by the end of 2005. Considerable claims have been made that information and communication technology (ICT) is an answer to the decline of rural-based services, ranging from internet shopping to online banking to videoconferencing by village schools to telemedicine. According to Cloke and Moore 'arguably [rural people could] benefit more than their urban counterparts' (1999: 3), but 'it needs to be assessed critically' (1999: 1). Their caution is based on the fact that rural areas are likely to be the last to receive new ICT infrastructure – as has been the case with broadband links to schools – that the socially excluded are the least likely to be reached and that switches to ICT use could be at the expense of local service outlets. Nevertheless, the proportion of people who use the internet is slightly higher in rural than in urban areas (Countryside Agency 2004b).

One rural pilot scheme in operation is Locals Online, which provides internet access for education, training and community development within fourteen pubs in Dorset, Lancashire and Northumberland. The evaluation report concludes that these pilots have matched, or exceeded, most of their targets, although providing access to training was one of the more problematic aspects (Postle and Stewart, forthcoming).

These policy responses could be characterised as moving towards a combination of strategic approaches that employ national standards, attempting to facilitate the local identification of needs, and encouraging local innovation.

Looking ahead

Most of the drivers of change in service provision over previous decades remain: population change, cost efficiency, service specialisation and increasing personal mobility. Alongside these are new drivers or those that are only now realising their full potential. The growth of the internet is such that, by October 2005, 61 per cent of users had bought something online in the previous three months and, in the same time period, 44 per cent had banked online (Office for National Statistics 2006). Public service reform has never been higher on the political agenda. What might these factors mean for rural communities and services in the future?

Drivers of change in 2015

A recent report for Defra built a scenario for 2015 from an analysis of the driv-

ers and discussions by a range of experts (Moseley *et al* 2005). The report recognised seven key drivers of change relating to rural services, namely:

- Population – an older and more prosperous rural population
- Culture – more concern about quality and less about local community
- Personal mobility – more people with access to a car and using distant services
- ICT – more people accessing online services
- Government policy – more reluctance to subsidise loss-making service delivery and more interest in localism
- Competition – further rationalisation of private-sector outlets (relying more on e-delivery)
- Changing demands – increased demand for income elastic services such as recreation, and reduced demand for traditional public transport. Also increasing demand for healthcare and decreasing demand for schools.

The report believes that the community, voluntary and community enterprise sectors will increasingly be asked to deliver services. The extent of local social capital in rural communities will therefore be important in determining the service levels they receive. The report also foresees greater e-delivery and a decline in single outlet services, to some degree mitigated by a growth in multi-service outlets. This scenario highlights the risk of greater disparity in service provision between rural areas and population groups, and a need to foster a more co-ordinated planning of services, especially if the most disadvantaged groups are not to suffer.

Increasing choice?

The Government's public service reform agenda seems likely to have particular implications for rural provision. The agenda emphasises choice in provision, giving users more of a voice and increasing the personalisation of services to suit users' circumstances. Achieving choice, in particular, may prove challenging in rural areas, as acknowledged by a government response to a Parliamentary Select Committee inquiry (Joint Memorandum by Ministers of State for Department of Health, Local and Regional Government, and School Standards 2004). The aim of the reform agenda is to use choice and competition, bringing in more private-, voluntary- and community-sector involvement, to drive up public service standards and make those services more responsive to the needs of users.

However, only 52 per cent of households in villages and smaller settlements have more than one GP surgery within five kilometres of where they live and only 33 per cent have more than one secondary school within five kilometres of where they live (Commission for Rural Communities 2005c). It is not yet clear whether rural markets will be economically attractive to

new providers, whether transport will exist so that all rural citizens can exercise choice, how rural communities can best access information about choices and – given likely distance-decay effects – how many rural people will want to exercise choice. Parsons *et al* (2000) found that only nine per cent of pupils in rural areas attended schools outside their local catchment area, compared to 33 per cent of pupils in suburban areas. However, these reforms could stimulate greater innovation in service delivery and it is conceivable that the localisation of budgets they imply will benefit rural communities. There are important issues raised by these reform agendas that need exploring with some urgency, if rural people are not to face unforeseen consequences or, at least, miss out on policy benefits.

Other links to the governance agenda

The provision of rural services is also likely to be influenced by two particular aspects of the governance agenda. First, the apparent political ambition to devolve more powers and resources to the 'neighbourhood' level, which in rural areas could provide a useful platform for parish and town councils to take on a considerably expanded role, not least when it comes to service delivery. But, second, the trend towards mergers of service delivery bodies, such as police forces, primary care trusts and, potentially, principal local authorities (if the district and county structures are merged into one tier). Rural communities will need to be convinced that larger and more remote service delivery bodies will understand and respond to their needs.

Increasing focus on e-delivery

There can be little doubt that e-delivery will continue to play a growing part in service delivery and in policymakers' aspirations. In the past, much rural attention has focused on its lagging ICT infrastructure, but this may no longer be the case. Basic (ADSL) broadband is already available almost universally, and one recent report (Craig and Greenhill 2005) considered future scenarios in which wireless technologies placed rural areas on a level playing field with urban areas, perhaps enabling some to become leaders in the adoption of this technology. However, the authors also believed that the previous rural–urban digital divide could be replaced by new social divides, as certain groups or communities struggle to profit from the benefits. One interesting prospect may be the extent to which digital TV provides a platform for new services into rural homes, especially if, with the planned digital switchover, this reaches a wide cross-section of society, including more disadvantaged groups.

Conclusions

The evidence indicates that the rate of closure of rural service outlets has slowed. However, as Hindle *et al* (2004: 9) point out:

'Pressures towards increased centralisation are constantly present in the delivery of public services – the setting of minimum viable sizes for operating units, increased specialisation and multi-disciplinary team working, risk management, quality auditing and performance monitoring, travel related costs and economies of scale and others.'

Specific areas of concern are the implication of falling school rolls (numbers of pupils) and uncertainties over the future subsidy for the rural post office network. Where services are delivered in the private sector, markets are having the same centralising effect.

Most rural residents are complimentary about the services in their area and manage to access services where they are further afield. Nevertheless, a case could be made for greater geographical equity in the provision of public services for the rural population in general. What is clear is that some groups appear to face real difficulties, most evidently those on low incomes or who lack mobility, and these groups need specific policy responses. Much of the evidence points towards a growing polarisation between those who are access-rich to services and those who are access-poor to them.

Policymakers have struggled with the complexities of rural service delivery for some decades, including the often-competing drivers of access, cost and quality. At a national level, much of the effort has focused on using policy processes, such as rural proofing and the setting of standards. At the same time, local communities have been encouraged to identify and address their particular needs. Looking ahead, considerable store is being placed on the scope for social or community enterprise and on multi-service outlets as appropriate solutions.

Key questions for policymakers

A number of fundamental questions for policymakers derive from this evidence base, including:

- Should policies seek to provide all residents in rural communities with equitable access to services or should they focus on the needs of the most disadvantaged?
- Should policies even target rural settlements with more disadvantaged people or settlements that are furthest from service centres?
- How can everyday services be sustained locally within rural settlements, given the often-diminishing numbers who are using them?
- As service provision in rural areas comes with a relatively high unit price tag, is that sufficiently accounted for in public-sector resource allocations?
- To what extent is it reasonable to expect the public purse to cross-subsidise service outlets in rural areas for the wider good?
- Mobility appears to be a critical factor for rural residents' access to services.

Should more policy attention focus on developing rural transport?

- What is the best strategy for achieving the desired outcomes for service provision? In particular, what role is there for national targets or standards and how much emphasis should be placed on local, community solutions?
- If greater local action – planning and developing services – is seen as the way forward, do local authorities and other providers have the necessary powers and tools to succeed?
- Considerable store is being placed on the social enterprise sector to plug gaps in rural provision. Can it meet this challenge and benefit the neediest communities?
- Approaches to co-ordinate or join up services may be well-suited to the task of maintaining provision across large rural areas. How can they be encouraged?
- Will current reforms of public services deliver benefit to rural communities? If one aim is to encourage private, voluntary and community sector providers, how much regulation or mitigation is required to ensure fair rural outcomes?

It is clear there are no easy answers to these questions, but four possible solutions follow:

- Policies are needed that encourage, facilitate and support the development of solutions at the local community or parish level. Evidence from policy evaluations shows the value of identifying needs locally and tailoring solutions at that level. A key role for principal local authorities could be to bring the necessary delivery bodies to the table and to co-ordinate the needs and solutions of neighbouring communities or parishes.
- Such localism requires a safety net to ensure the needs of the minority of disadvantaged communities or groups are addressed. National or regional standards can therefore play an important role in delivering social justice. One option would be a thorough review of the current Rural Services Standard, in order to align it better with access to essential and everyday public services for those facing disadvantage. Local communities and providers would be responsible for deciding how best to provide that access.
- Better engagement of service providers in local transport planning and funding is needed. Current accessibility planning by local authorities to inform their Local Transport Plans should prove a useful planning tool. More could be done to ensure that service providers can help fund transport, where that is an effective way to make their services accessible. Indeed, public service providers often seem to be able to centralise without taking full account of the costs or consequences for users. One idea would be to require public bodies that centralise services needing face-to-face contact to pay into a local transport pot, on a 'centraliser pays' principle, in order to fund better transport links to their facilities.

- The public-service reform agenda has potentially major, but at this stage largely unknown, implications for the delivery of a wide range of services to rural communities. It is critical that these policies are sufficiently 'rural proofed' before they reach their implementation stage, so that the implications for rural communities are understood and appropriate models for rural delivery are developed.

It is important not to underestimate that rural communities must demonstrate that they value local services by using them, especially where services are fully provided in the private sector and market signals prevail. Equally important is that, in seeking solutions, all parties need to look forward and not simply try to emulate past models of service provision – models that, in many cases, struggle now because they no longer suit the way their current and potential customers live their lives.

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7. Rural housing affordability and sustainable communities

Sarah Monk and Aoife Ni Luanaigh

The key issue facing rural housing today is that demand for housing exceeds supply, and the gap is growing. The reasons for this include a range of economic, social and demographic changes as well as the cumulative effects of government policies over time. The effects of high and rising house prices in rural areas are exacerbated by a lack of social housing, low wages and underemployment, and planning constraints, with the effects on rural communities and individuals being varied and far-reaching.

This chapter looks specifically at the causes and effects of the affordable housing problem in rural areas. It briefly considers the issue of sustainability and sustainable communities in the context of rural housing and draws on recent research to ask whether affordable housing makes rural areas more sustainable, and argues that the affordable housing should be provided in rural areas on the grounds of social justice. It then outlines the role of the planning system and discusses some of the problems encountered by local planning authorities in delivering additional affordable housing. The chapter concludes by outlining the two of the current approaches for addressing the affordable housing problem in rural areas.

Key issues in rural housing today

Rural housing has become increasingly expensive in the last decade, especially for first-time buyers. It is argued that the resulting outward movement of young people who can no longer afford housing costs in their local areas depletes demand for certain local services, such as local schools. As a result, people have to access services elsewhere, usually by car, and the sense of community may be lost. This is considered 'unsustainable' by local and central government representatives who are increasingly looking for policy interventions that could reverse this situation.

High house prices and rents

House prices and rents are generally higher in rural than in urban areas, partly due to the nature of the stock, and the higher rate of owner occupation. There is a lower proportion of rented stock, particularly social rented housing that is subsidised, due to the relative success of Right to Buy (RTB) policies in rural areas. Lambert *et al* (1992) suggest that the loss of social housing stock through the RTB policy has made the affordability problem worse. They point out that this policy, which enabled sitting tenants to buy

their council property at a huge discount, was taken up widely in rural areas compared to urban areas, yet stock replenishment has been much lower.

The problem of decreasing housing affordability in rural areas is not just a recent phenomenon: in 1988, the Association of District Councils argued that high housing costs can contribute to forcing young people to move away, which 'can result in the closure of village schools and … in the reduction of available local skills which are necessary for the support of a properly inte-grated local economy' (1988: 10). These trends continue today. Lambert *et al* suggested that for new employment opportunities to be available in rural areas, there is a clear need to ensure that housing supply in each locality and local travel-to-work area is sufficient to meet the demands of the potential workforce. The housing affordability problem therefore affects wider aspects of the rural economy and village communities.

Social impacts of counter-urbanisation

Rural housing has also been affected by 'counter-urbanisation' (Champion and Watkins 1991), whereby affluent commuters live outside the urban areas in which they work. Weekley (1988) argued that the social impacts of counter-urbanisation – the movement of urban households out into rural areas – have led to population loss in rural areas. Weekley showed that the movement of the retired and semi-retired to rural areas, and of a wealthy middle class into commuter villages or second homes, has social and cul-tural implications that essentially force local residents and the young out of the countryside. Declining household size, together with property amal-gamations and conversions, mean that fewer people are being housed in the original housing stock, so that unless more housing is produced, the parish population will decline. In this way, 'we are led to the paradox that counter-urbanisation ... is in its social and cultural manifestations actually a *cause* of rural de-population' (1988: 132).

Changes in the economic and social structure of rural areas are not new: Weekley argued over 15 years ago that rural areas have been subject to two processes: 'gentrification' and 'geriatrification'. Gentrification refers to an influx of relatively wealthy social groups who can afford to buy two small properties and convert them into a single larger dwelling. This removes potential properties from the market in future and increases the average house price; demand from this group for second homes also fuels rural house prices. Geriatrification refers to the gradual ageing of the rural pop-ulation as wealthier people choose to retire there. Both processes affect the affordability of housing for local people.

Main pressures on demand

There are four main sets of pressures on the demand side. First, rising real incomes throughout the post-war period has allowed people to demand

more space per person. Second, demographic changes – increased divorce, increased household formation, smaller households – have increased demand for housing. Third, improvements in transport, and the fact that running a car is now cheaper in real terms than it has ever been, has contributed to increased commuting so that those working in the city can live in a rural village. Finally, social understanding of the city as 'polluting' and the countryside as relating to a more innocent way of life has contributed to a 'rural idyll' that attracts the wealthy to rural areas.

Impact of planning laws

It has also been argued that planning constraint, which has aimed to protect the countryside and prevent urban sprawl, has fuelled rural house prices. On the supply side, planning constraints in terms of measures to protect the countryside, such as National Parks, Areas of Outstanding Natural Beauty, and Green Belts around cities, have reduced the available land supply. These planning constraints have been reinforced in recent years by policy goals of sustainable development, re-use of brownfield land, and narrow interpretations of the sequential test (ensuring that brownfield land is developed before greenfield land). This constraint is compounded by 'NIMBY' (not in my back yard) attitudes towards new development in rural areas, which make it difficult politically to include sufficient housing provision in local plans.

While many argue that large-scale housing estates are out of place on the edge of a small village, government policies for permitting rural exception sites (RES) purely for affordable housing operate at too small a scale to address the housing problem. This policy allows affordable housing to be built on land in rural areas where development would not otherwise be permitted. Research into the operation of the Government's policy of delivering affordable housing through the planning system (Crook *et al* 2002) found that securing affordable housing on rural exception sites was a lengthy process: identifying a site, negotiating, then completing the dwellings could take over three years. In some cases, it took as long as seven. The average number of dwellings provided was only six, and some schemes was as small as two units.

The process is therefore resource intensive, although the use of rural housing enablers who search for sites and negotiate with parish councils have supported the process in many areas. However, even with the support of enablers, the number of houses delivered in rural areas remains low – and it is likely to fall further with reductions in funding for rural enablers.

Table 7.1 shows the figures for 2003/04 and, in terms of output, dwellings produced through the rural exceptions policy are tiny: an average of two per year per rural authority. The figures on Section 106 (s106) units produced in settlements of less than 3,000 are also tiny, although they are

subject to concerns about accuracy. (Section 106 refers to the Government's policy of requiring a subsidy to affordable housing to come from the 'planning gain' that accrues when a piece of land obtains planning permission. Increasing proportions of all new affordable housing are now being delivered via the planning system through this mechanism.)

Table 7.1: Affordable housing completions and acquisitions

A: 2003/04 All affordable completions and acquisitions
B: 2003/04 Granted planning permission with s106
C: 2003/04 Total units completed through s106
D: Of which provided in settlements of less than 3,000
E: Rural Exceptions units completed

	A	B	C	D	E
North East	317	348	160	3	0
North West	2,625	1,533	733	26	0
Yorkshire and Humber	1,301	962	515	9	18
East Midlands	1,717	2,443	1,155	124	99
West Midlands	2,520	1,522	1,117	112	20
East	2,653	3,598	1,780	406	53
London	7,002	5,853	3,153	235	0
South East	5,485	5,483	2,923	308	143
South West	2,921	1,985	1,056	277	58
England	26,541	23,727	12,592	1,500	391

Source: ODPM (2004)

The rural affordable housing problem

The outcome of these different processes has been an increasing problem of affordability. Not enough new dwellings are being built to meet the demand for housing in rural areas and, particularly, not enough affordable dwellings are being built to meet local needs. The average house price in rural England has risen by 171 per cent over the past 10 years, compared to a 166 per cent rise in urban areas (Halifax Rural Housing Index 2005). Housing is generally considered to be affordable if the owner is spending less than 30 per cent of gross income on housing costs, or three-and-a-half times their income for a single mortgage or three times the joint income for a joint mortgage. However, the Halifax Index shows that the ratio of house prices to earnings is currently seven in the cheapest rural areas and as high as 14 in some parts of the rural south east.

Segmentation of the market

Housing markets in rural areas have become increasingly segmented through a combination of Right to Buy, which has reduced the availability of public-sector rented housing, the rise in house prices and a shortage of accommodation for single people (Shucksmith 2000). This has produced a very different tenure structure from that in urban areas, with a limited private-rented sector and rapidly declining tied housing (the traditional rural tenure where accommodation was tied to employment) and social rented housing. Rural housing markets are overwhelmingly owner-occupied (Commission for Rural Communities 2005). The result has been a polarisation of those wealthy enough to buy, and those poor and needy enough to qualify for social housing. The needs of the second group are more likely to be met in urban than in rural areas.

Young people in rural areas tend to fall between these two groups. Research supported by the Joseph Rowntree Foundation on young people in rural areas found 'conclusive evidence that young people encounter substantial difficulties in relation to finding independent housing' (Shucksmith 2000: 30). Rugg and Jones (1999) showed that both the quality and affordability of available property were problematic. Where properties were rented, they often constituted a first step out of the countryside as couples eventually ended up buying a home in a cheaper, urban housing market.

There has been a much greater decline in first-time buyers in rural areas than in urban areas (Halifax 2005). Young people are neither wealthy enough to buy in the countryside, nor – if they are working – poor enough to qualify for social housing. Pavis *et al* (2000) found that many were pushed into accommodation in the private-rented sector that was often of poor quality, and/or in isolated areas, such as farms or country estates with no transport links. Caravans and winter lets of holiday homes were options in tourist areas, but because moving out of the parental home was often triggered by childbirth or marriage, some young people found themselves living with young children in isolated areas and in sub-standard housing.

Rural communities becoming unsustainable

The literature seems to suggest that rural communities are becoming increasingly unsustainable in terms of the Government's criteria as set out in *Sustainable Communities: Building for the Future*, otherwise known as the *Sustainable Communities Plan* (ODPM 2003). Highly polarised rural communities overwhelmingly comprise owner occupation, large dwellings and an unbalanced age profile. A small amount of social housing is tagged on to one end of the village or may be missing entirely. There has been a well-documented decline in rural services, partly because market towns have become more accessible through car transport, so that even poor house-

holds usually have access to a car, either their own or through the extended family (Dunn *et al* 1999). There is increasing concern that, as a result of such polarisation and decline in service provision, many rural settlements are unsustainable and in decline, and may end up lacking in any kind of community.

Containment of urban sprawl versus provision of affordable housing

The conservation lobby is particularly strong in the UK and, together with the anti-urban-sprawl lobby, produces a formidable argument for containing urban areas and preventing new building in rural areas. This makes it difficult to implement planning policies that aim to increase new house-building, except by concentrating it in urban areas. There is a policy conflict in relation to new affordable housing in rural areas. On the one hand, the Government believes that sustainable communities are inclusive, so that villages should not be the preserve of the wealthy but should provide for poorer households in affordable housing. On the other hand, the Government also believes that it is more sustainable to focus new affordable housing development in urban areas, such as market towns, where there is a range of services and facilities. It considers this preferable to developing in small villages, where that range has long since disappeared and poor households would find it difficult and expensive to travel to the market towns, especially where public transport is inadequate.

This raises the question of whether a lack of affordable housing makes rural communities unsustainable. Is a lack of affordable housing creating such unbalanced communities that local services can no longer survive, or that there will be no one to care for the ageing population? Or is it more a question of social inclusion and social equity – poorer households should not be excluded from the opportunity to live in a rural area, particularly if they have strong family and social ties? The next section discusses the concept of sustainability and what may comprise a sustainable rural community, while the section following that explores the extent to which residents in social housing make a greater contribution to the local community than those in market housing. The chapter then considers the planning system and questions the extent to which it can deliver more affordable homes in the countryside.

The sustainable communities debate

What is a 'sustainable community'?

The policy objective of sustainable communities now appears in most government policy documents, particularly those relating to housing and planning. However, the Government has not clearly and consistently defined what a sustainable community means. Sustainability is defined in the

Sustainability Toolkit as 'people continuing to want to live in the same community and being able to, both now and in the future' (Housing Corporation 2003: 5). Sustainability is clearly a complex concept, with more than one element. For example, the *Sustainable Communities Plan* states that key requirements of sustainability include community participation, an appropriate layout, density and scale of development, well designed public space, a sense of place and a 'well integrated mix of decent homes of different types and tenures to support a range of household sizes, composition and incomes' (ODPM 2003: 7). Similarly, Encams (2004) suggest that sustainable communities are characterised by the availability of employment opportunities, social inclusion, a good range of housing, good public services, low crime rates, the availability of public spaces such as parks, and high public participation.

Why are sustainable communities important and how are they created?

There is a considerable body of comparative literature from the US that argues that mixed communities are an important social goal. Minton, in a review of sustainable communities that compares the UK to the US, argues that 'the creation of balanced communities in the UK is vital if the social polarisation seen in the US is to be avoided' (Minton 2002: 1). However, much of the work on sustainable communities in the US (see, for example, Berube 2005) seems more applicable to urban inner-city environments with their large and spatially segregated ethnic minorities, than to rural areas.

There are a number of ways to create greater balance in new or changing communities, according to Minton (2002). However, all of them relate to mixing tenures on individual housing developments. Thus, the introduction of home ownership and incentives to keep high earners in low-income areas is praised, while building affordable housing through the planning system gets a more critical treatment, as it is seen as opaque and varying widely in its application. This is partly because local politics and NIMBYism often oppose any form of new development, particularly if it includes social housing (Crook *et al* 2002). In the face of such opposition, the lack of clarity in the planning system allows much new development to slip through the net with no element of mixing tenures.

Defra's approach: a balanced range of tenure and housing

For the Department of the Environment, Food and Rural Affairs (Defra), the term 'sustainable communities' appears to mean that within a village or small rural settlement, there should be a balanced range of tenures and house types, and good access to services, both with and without a car. The idea is that policymakers need to ensure that all communities are sustainable, even on the scale of the small village (Blenkinship and Gibbons

2004). However, what is meant by a balanced range of tenures and house types is not clear. It would appear that if there was evidence of housing need, or of exclusive villages, this would constitute unbalanced, and hence unsustainable, communities.

There are several problems with this approach. Perhaps the most obvious is that a village or small rural settlement is not, in itself, a housing market. *Planning Policy Guidance Note 3* (PPG3) states that local planning authorities need to make land available 'either within or adjoining existing rural communities' in order to meet local needs and 'contribute to the delivery of sustainable communities' (ODPM 2000: paragraph 71). This suggests that need should be met at the settlement level.

However, housing markets are generally defined as areas within which 70 per cent of households will seek new housing (DTZ Pieda Consulting 2004). On this basis, they are sub-regional in scale and, in rural areas, may encompass a market town plus a range of villages of different sizes and with varying levels of service provision. This means that even if housing need is evident in one village (for example, through overcrowding) that need could be met in another village within the same housing market area. It would therefore make sense to look at the dynamics of the wider housing market rather than focus on the individual settlement level.

Similarly, research for Defra on rural housing (Bridges *et al*, forthcoming) suggests that people looking for new housing, whether social or market in rural areas, are generally not tied to any one settlement. Instead, they tend to seek out housing in areas with particular characteristics and are willing to move to neighbouring settlements to meet their needs. What appears to be important in rural areas is that a group of settlements will provide an appropriate mix and choice of housing, rather than the mix of housing at a village level.

Furthermore, as Bridger and Luloff argue, 'any definition of *the sustainable community* will obviously depend on the definition of sustainable development chosen' (1999: 378). Government policy seems to equate sustainable and mixed communities. While 'mixed communities' are regarded as a positive policy goal, the term shares many of the problems of loose definition. 'Mix' might relate to a variety of factors and indicators, including 'social; income and wealth; tenure; mixed use and mixed density' (Power *et al* 2004: 42). When 'mixed' is used as a proxy for a wide range of incomes, mixed communities are seen as positive in that they avoid the problems associated with concentrations of poverty. However, there is little evidence to suggest that mixed communities are necessarily more sustainable than all but the most deprived unmixed communities. While concentrations of poverty may be problematic, affluent communities – although not mixed – are not necessarily unsustainable.

In addition, the idea of making communities sustainable through balancing housing markets is open to criticism. It depends on the spatial scale

at which a 'sustainable community' is defined. It implies that mixing tenures, and hence income groups, at the smallest spatial scale – a new housing development – can promote a sense of community. This is a huge assumption: that housing interventions can, of themselves, foster residential integration, producing interaction between social groups and, in this way, increasing understanding, tolerance and harmony between different groups. However, this is not borne out in practice. As Power *et al* argue, tenure mix does not necessarily imply social mix: 'there are clashes and trade offs between the five different forms of mix ... tenure mix through sales of local authority homes or even different forms of social renting does not necessarily lead to income mixing or mixed use' (2004: 42).

Henning and Leiberg studied the role of weak ties between neighbours, which they define as 'unpretentious everyday contacts in the neighbourhood' (1996: 6). People turn out to meet their neighbours and others in the local areas fairly often but on a superficial basis. Respondents said that these contacts meant a 'feeling of home', 'security' and 'practical as well as social support' (Henning and Leiberg 1996: 7). However, even if such day-to-day small, insignificant contacts are important in building or creating a sense of community, it is not clear that mixing tenures on a single estate, or even balancing housing markets in a single rural settlement, would make any difference. People living in a small rural settlement may well live in spatially segregated tenures, but nevertheless engage in a large number of weak ties with those from the same and from different tenures.

Does affordable housing make rural communities sustainable? Evidence from the West Midlands

Research undertaken for the West Midlands Rural Housing Network by Land Use Consultants and the Cambridge Centre for Housing and Planning Research in late 2004 to early 2005 (Land Use Consultants *et al* 2005) in the rural West Midlands set out to establish whether the provision of new social housing in rural areas helped to 'sustain' the villages in which they were located. The hypothesis was drawn from a review of the literature, which suggested that social tenants, and poorer households generally, tended to organise their lives much more closely within the local community than wealthier residents.

As part of the West Midlands study, a survey was conducted in three case study areas chosen to reflect contrasting aspects of rural life. In each case study, a market town and three surrounding villages were chosen. All had experienced recent developments of new social housing. A sample frame for social tenants was created from housing association records and 180 interviews were conducted. These were then 'matched' by equivalent interviews with owner–occupiers and households in private rented accommodation,

selected by size of dwelling (number of bedrooms) as a proxy for house-hold size. The questionnaire asked about each household's use of a wide range of services, to see whether social tenants used more local services and so made a greater contribution to sustainability than market residents. Questions were also asked about whether the household was involved in community activity and used transport.

The provision of affordable housing to meet local needs, including through the use of s106 and exceptions policies, is identified as a key priority by the West Midlands Regional Assembly (2004). The remoter rural parts of the region are identified as a priority area for investment in this strategy. Current patterns of housing provision are not sufficient to meet the need or demand for housing in the rural West Midlands, particularly in more accessible areas. There is a huge shortfall in terms of social housing provision. The relative prosperity of rural areas is a reflection of migration patterns rather than the result of economic growth and development, and this is compounded by current patterns of housing provision.

House prices and stock in the West Midlands

To put the above survey in context, the research confirmed that average house prices in the rural West Midlands are high: in Herefordshire as a whole, for example, they are 25 per cent higher than the regional average, and in Malvern Hills, the most expensive district in the region, they are 43 per cent higher (Land Registry data, 2005). House price to income ratios – a common indicator of affordability – range from four to 22 times average incomes, despite higher average incomes in rural areas. Using census output areas to define rural and urban areas shows that the average urban income is only 84 per cent of the average, 85 per cent of the median and 43 per cent of the lower quartile rural income respectively.

The nature of the housing stock reflects this polarisation of affluence. Rural parts of the region have predominantly more houses and bungalows, and considerably more detached homes, than urban areas. Government Housing Strategy Statistical Appendix (HSSA 2004/05) data shows that rural owner occupation is significantly higher at 77 per cent, compared to 68 per cent in the region as a whole, and 38 per cent are owned outright (without a mortgage). There is, correspondingly, less rural social rented housing, at 10 per cent compared to 20 per cent in the region as a whole, and many rural census output areas have no social housing at all.

Survey findings

Policies to build new affordable housing for local people in rural areas do not appear to be working: only 14 per cent of the region's new affordable housing was built in rural areas and only four per cent in remote rural areas. At the same time, available lettings from the existing social housing

stock are much lower in rural parts of the region – only three per cent of those on the waiting list could be housed through 're-lets', compared to 29 per cent in urban areas.

What are the effects of this lack of rural affordable housing on local services and sustainability of communities? The findings from the survey were not as expected. The West Midlands Rural Housing Network who commissioned the work clearly believed at the outset that social tenants would prove essential to the sustainability of local services and that a substantial presence of such households was therefore necessary for a rural community to be sustainable. However, the evidence was, at worst, inconclusive and, at best, showed that all tenures made a small but positive contribution to the local community. There were some differences between the sectors but none were large or significant: many related to the nature of the households and these factors explained use of services and community participation more than tenure.

Range of household type: While a range of household sizes existed and a significant proportion of respondents lived in single-person households, household sizes did not differ significantly between sectors. There was a slight variation in household structure between tenures, with those in the social sector slightly more likely to be pensioners (45 per cent of households), significantly more likely to be lone parents (eight per cent), and significantly less likely to be couples without dependent children (nine per cent). This compares to 43 per cent, two per cent and 18 per cent respectively for households in the market sector.

Community involvement: One way of assessing whether a sustainable, thriving community exists in a village is the extent of community involvement. The survey showed that the extent of involvement in the local community varied between sectors, with market-sector households more likely to be 'very involved' or 'quite involved', and less likely to be 'not at all involved'. However, market-sector households were also more likely to say they were 'not very involved' in the local community. Overall, 22 per cent of public- and 29 per cent of market-sector households were involved in the local community.

The combined figures for low involvement and non-involvement were 77 per cent of social-sector households and 71 per cent of market-sector households. The biggest variation between tenures was for non-involvement (48 per cent of social and 34 per cent of market households: a gap of 12 per cent). This finding backs up the work of Jupp (2000) and Henning and Leiberg (1996) that community involvement is important only for a minority of residents. Community involvement also varied between household types and tenure. The research found that single people in market housing were least likely to be involved in the community, while pension-

ers, and couples with dependent children living in market housing, were most likely to be involved.

Tenure and income mix: A key purpose of encouraging mixed tenures and a balanced housing market is to create a community with a range of incomes and a more inclusive community (ODPM 2003). Of those surveyed who gave income information, market-sector households were over-represented in all income brackets above £193 per week, and social-sector households in all those below. Households in the social sector had lower incomes than those in the market sector on average, even once the influence of a large number of pensioner households in the social sector was taken into account. This pattern continued, even when non-response was taken into account. Lower incomes are linked with high numbers of pensioners, poorly paid workers and the unemployed.

Additionally, while a wide income range may indicate the presence of a diverse economy, it is probable that the higher incomes are linked to those who commute to outside the areas for work, and that local jobs are poorly paid. Power *et al* suggest that, far from social-sector residents contributing more than those in the market sector to service sustainability, 'mixed incomes are necessary to maintain facilities and services – facilities on local authority estates often fail because of a lack of purchasing power of residents' (2004: 47).

Use of local services: In addition to higher incomes, market-sector households were found to have higher levels of service use. The provision of services in rural areas – for example, ease of access to a post office – and their rates of use provide a useful insight into whether rural communities are sustainable and thriving. Survey respondents were asked about their use of, and ease of access to, a range of services, namely doctors' surgeries, public internet access points, cashpoints, banks and building societies, primary schools, secondary schools, job centres, petrol stations, post offices, supermarkets, work and libraries. In terms of sustainability of local services, service-use patterns by settlement were relatively similar, but social-sector households were less likely to use most services than market-sector households. However, the differences in rates of use were generally negligible. This suggests that the impact of additional affordable housing on the sustainability of rural settlements is relatively similar to the impact of additional market housing.

The West Midlands Rural Housing Network, which commissioned the research, clearly understood sustainability to mean a good balance between market and social housing as a proxy for mixed-income communities. In the survey discussed above, households in the social sector had lower incomes than those in the market sector on average, even once the

influence of large number of pensioner households in the social sector was factored in. As a result, therefore, social housing has contributed to a greater income mix than would otherwise be the case. However, the influence of Right to Buy on tenure patterns should not be underestimated.

Simpson (2004) argues, in the context of racial segregation, that better-off households are more likely to be able to exercise choices that would allow them to leave a particular area, so that patterns of dispersal are different by income level. This pattern is similar to that experienced in the social-housing sector, where richer social tenants become owner-occupiers, thus contributing to a reduction in average incomes in the social sector. However, this does not mean that communities will necessarily be mixed in other ways.

Lessons from the West Midlands survey

The findings of the survey are instructive as it is often believed that residents of social housing contribute more to the local community and support local services more than residents of market housing. In fact, there is little difference between the tenures, and the differences that exist do not support this belief. As Cole and Goodchild argue, 'policy intervention is overtly premised on the assumption that more mixed communities will promote more positive social interaction for residents, despite the lack of evidence for this claim' (2001: 351). Promoting social interaction between residents of different sectors is rather more complex than simply providing housing in a particular settlement – see Jupp (2000) for further discussion. Apart from community involvement, which was fairly low, our research did not provide evidence of interaction between residents in different tenures.

We therefore suggest that the sustainable communities debate masks two key social issues. The first is that sustainable communities are committed to social justice. Sustainable communities provide for the housing and living needs of all residents, and they do so without the kind of class and race-based spatial separation of households and neighborhoods that is typical of many localities (Bridger and Luloff 1999). The social justice argument removes the idea of mix as a proxy for other benefits, and simply states that mixed communities are necessary for a just society.

The second issue, which has been applied more directly to rural areas, holds that local people have a right to live in housing that is affordable. Local housing in rural areas may be contentious – for example, it is rarely suggested that people from rural areas are pushing up house prices in the cities, and that city dwellers should have access to affordable housing on these grounds – but it could help to sustain mixed communities. This issue of local housing for local people is also contentious in a wider context: it can be argued that migrant workers help the local economy but, if housing is only for locals, they would not be able to live in that locality. Indeed, the

London Borough of Kensington and Chelsea is debating whether only those with local ties should be allowed to live within the borough. It is open to question whether such policies make the local community more sustainable, and they are also vulnerable to charges of social engineering.

If we accept that the provision of additional affordable housing can contribute to a socially just outcome in rural areas, the question is how could this be provided through public policy initiatives and how might these best be targeted? The next section of this chapter discusses the delivery of affordable housing through the planning system.

The operation of the planning system

There are three main ways of producing new affordable housing in rural areas. The first is the traditional method, whereby Registered Social Landlords (RSLs) buy land that has been allocated for housing from the public sector (usually a local authority) and build the housing with the aid of Social Housing Grant (SHG) and private finance (borrowing against the future rental income stream). However, publicly owned land is running out in rural areas and land prices are so high that RSLs cannot afford to compete in the open land market.

Therefore, RSLs are increasingly finding the second mechanism – affordable housing through the planning system – more attractive because it provides them with land that is either free or below market prices. S106 agreements allow a subsidy to affordable housing to come from the 'planning gain' that accrues when a piece of land obtains planning permission – currently the gap between agricultural land prices and housing land prices is extremely large.

The third way, which only applies to rural areas, is rural exceptions policy. This allows development on land where it would not normally be allowed to go ahead – but for affordable housing only. The idea is that the landowner will accept a price that is below the going rate for housing land, so long as it is above the agricultural price. Unlike s106, the subsidy does not come from planning gain as such, but from allowing only affordable housing to be built on the land.

In all cases, the affordable housing has to be supported by an assessment of housing need. This is particularly important for rural exception sites, which are generally confined to small sites in small villages. Permission to build will only be given if there is clear evidence of housing need. Where such need can be shown, exceptions sites have an important role to play in sustaining mixed communities.

There are also other methods, such as 'purchase and repair', which RSLs occasionally use when they cannot find suitable land to develop. The rural district of Fareham used this during the 1990s when all its large sites had

received planning permission before the s106 policy had been introduced, so that there was no developer contribution. Fareham land prices were too high for RSLs to compete so they bought dwellings on the open market, usually ex-council houses, which were cheap because they needed repair and renovation.

Obstacles to producing affordable housing

Research has shown that of the first three main methods, rural exception sites are probably the most difficult to develop and take the longest to come to fruition (Crook *et al* 2002). Finding suitable sites and persuading local people, particularly the landowner, to support the development could take several years and involves commissioning special housing need surveys to prove that there was real housing need in the relevant village. The development time-lag means that households in housing need might move away before the units are built, and moving households in from outside the area is often unpopular with local people.

The same study showed that rural authorities listed a lack of Social Housing Grant (SHG) as their main problem in securing additional affordable housing. The timing of SHG was also an issue. If it was not available when a suitable site came up, the RSL would lose its chance. In one example, a local land agent rang the RSL to say that a particular site would be suitable for them, but the RSL could not buy it because there was no SHG available. By the time SHG was allocated two years later, the land price had gone up. This lack of SHG was not cited as a major problem by urban authorities, although there were problems with timing.

Other problems identified in rural areas included:

- High levels of housing need, poor affordability (price-to-income ratios of 5:1 and above in 1998/99), and dwindling land supply.
- Political issues, including NIMBY on the part of elected members, and difficult or poor relations between planning and housing departments.
- Lack of clarity in affordable housing policies, particularly the definition of affordable housing.
- Problems over negotiations with developers. It was clear that the National Park authorities and others in high demand areas felt able to be 'strict' with developers, whereas rural authorities in lower-demand areas did not, and often capitulated when developers refused to meet their requirements.

Rural exception sites

There are particular problems with the rural exceptions policy as it is participative and requires partnership working, so that the process of securing affordable housing on exception sites is complex and time-consuming. In

many cases, the initiative comes from the parish or village, which will have undertaken a village survey that indicates housing need. A suitable site will be identified and the landowner contacted. Where the landowner is local, it can be easier to persuade them to release the land, given local support.

In other cases, the planning authority and locally active RSLs will scour the countryside looking for suitable sites. They will then approach the landowner and, providing this is successful, then try to persuade the village that social housing is needed and will not blight the neighbouring dwellings. This can take a very long time.

In some cases, a landowner will approach the council after a planning application for market dwellings has been rejected, for example, because the site is in the green belt. If the site is deemed suitable, an RSL will be approached and an offer made. Again, the next stage is to get local residents on board. Sometimes this is so difficult that the development cannot go ahead – planners feel that the scheme will not be a success unless it has local support.

Detailed information at site level on costs and subsidies were available for 11 rural sites, eight of which were exceptions. Actual costs varied from £26,427 per unit in the Forest of Dean (all exceptions) to £60,672 per unit in South Lakeland (also an exception site). The low cost per unit in the Forest of Dean was partly because the land costs were so low. SHG for social rented units was around £21,000 per unit, although it was £32,000 on one site in the Forest of Dean. For shared ownership, SHG was lower, ranging from around £3,600 a unit to over £9,000 (Monk *et al* 2004). Land costs also varied. In at least one case, the land was transferred at a nominal sum; in two others, it was already owned by the RSL. Exception sites were usually much cheaper because agricultural land prices were so low in many areas (for example, the Forest of Dean).

Other reasons for increased rents and costs

RSLs developing in rural areas face an additional two major external influences on their costs compared to urban development, which may result in rents being pushed up towards market levels more rapidly than elsewhere (Chaplin 1997). First, the borrowing capacity of associations developing in rural areas is decreased because of the use of rural exception sites. These sites offer less security to lenders because the planning conditions attached to the site reduce the resale value of the property. Second, development costs in rural areas are thought to be higher as a result of several factors:

- Small scheme sizes may increase the cost per dwelling.
- Planning restrictions may specify the use of high-cost materials or designs.
- Remoteness may mean that builders' costs, reflected in the construction

prices, are higher, and the need for site infrastructure provision may be greater.

Such increases in costs are not explicitly taken into account in the funding regime, although the Housing Corporation did introduce a rural weighting to its Total Cost Indicator (which has now been replaced by a more sophisticated modelling mechanism). Against this, larger, more geographically diverse RSLs may choose to cross-subsidise from urban areas and older units in a way that offsets the higher costs. Younger and/or smaller, geographically concentrated associations have far less capacity to operate in this way. Chaplin's study, like another by Bevan and Sanderling (1996), concluded that social housing in rural areas was unlikely to be able to expand considerably because of falling SHG, a tighter regulatory framework and the differing pacts of these pressures on rural areas.

Rural areas losing out

The greatest problem with affordable housing in rural areas is that there is not enough of it and only relatively small quantities appear to be being built there. This is only partly because many rural areas are highly constrained by planning policies. However, affordable rural housing is also affected by other policy goals, such as the Government's target of 60 per cent of development to be on brownfield sites. The sequential test means that brownfield sites in urban areas will be developed before greenfield sites in rural areas, so rural areas lose out. Furthermore, the Housing Corporation is concentrating SHG on the largest RSLs, which means that small rural RSLs lose out.

Conclusions: potential policy solutions

The lack of affordable housing in rural areas in general means that people living on low incomes cannot live in rural settings but have to live in urban areas where affordable housing is provided. This is an argument about social equity and justice, rather than about sustainability or community, and public policy action is required to support social equity.

If it is accepted that more affordable housing is needed in rural areas on the grounds of social justice, then the question is: how should policy intervene to provide this? There are three main policy approaches.

Business as usual

This approach argues that s106 and rural exceptions policies are the only options available so we should try to make them work better, following best practice. Any attempt to replace them with something else must be better still. The current system is considered a success because:

- it contributes to mixed communities, something previously thought to be difficult, if not impossible.
- it is a local tax that is hypothecated (pledged) to affordable housing so it is more acceptable to developers and landowners than a tax that goes to the Treasury to be spent according to the government of the day.
- it allows negotiation over each site, so is flexible and adaptable to the variables of each situation.

However, this approach is not capable of meeting the stated goal of a decent home for all, at a price they can afford. It depends on the development of additional new housing for sale, which is also often contested in rural areas. It is also heavily dependent upon a buoyant housing market and, in a downturn, there would be less housebuilding overall and so less affordable housing through s106. Therefore, alternatives are also required, such as additional SHG. Furthermore, the rural exceptions policy is rather different from s106 and perhaps not capable of much improvement, given that it is designed to assist very small settlements where there is evidence of need.

Introduce a tax

The introduction of a tariff or 'planning gain supplement' will improve the situation because it will provide much needed finance for affordable housing – provided that it is always spent on affordable housing. However, the UK's history of trying to tax development gains is poor, for example, with the Betterment Levy, Community Land Tax, and Development Land Tax, the supply of land onto the market dried up in all cases (Cullingworth 1988). It is possible that adopting some of the other policy recommendations in the Barker *Review of Housing Supply* (Barker 2004) could help to avoid a repetition of this, but this needs to be tested in practice.

A more radical approach?

A more radical approach accepts that the current system has only tackled a tiny fraction of the problem. Improving affordability by building additional market housing requires huge numbers of units to be constructed for very small changes in house prices. The problem of housing affordability must therefore be solved through the provision of social rented and intermediate housing, rather than through additional housing provision alone. Instead of rural exceptions, we need to turn rural affordable housing into a mainstream issue. We should grasp the opportunity provided by the PPG3 Update 2005 (ODPM 2005) to allocate land for affordable housing only. We need to accept that compulsory purchase may be required (although this requires altering the Land Tribunal's rules for valuing land so that they include housing land at below open-market value).

We also need to accept that even some poorer households can afford a car, which suggests that some affordable housing can be built in remote small villages. This approach would provide additional housing across the whole of the lower end of the household income range – to include social rented housing, shared ownership, and low-cost market housing. The cost of the market housing could be kept low via an 'equity mortgage', whereby if the seller fails to sell to an eligible household within six months, it is offered to an RSL, and the difference between open-market value and the restricted value goes back to the local authority to be used again. Finally, we must abolish the RTB in rural areas.

Given that the first approach has clearly failed to deliver in rural areas, and the second approach of land taxation has not succeeded in the past, the radical approach would seem to be the only way forward. The next step for the Government is to win the hearts and minds of the nation, which will be extremely difficult because 70 per cent of households are home-owners, who do not want to see a reduction in the value of their equity. Also, countryside protection is one aspect of the planning system that is well understood and apparently valued (Defra 2001), even by inner-city residents who can hardly benefit from it. The challenge is great indeed.

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8. Making a difference: challenging rural deprivation

Sara Gowen

Rural deprivation has finally moved up the political agenda so that it is now on the horizons of policy and decision makers. There is recognition of both the differences and similarities with urban deprivation. So how do we make the critical difference to people who are experiencing rural deprivation?

The Peak District Rural Deprivation Forum (PDRDF) is a network of Peak District residents and workers who are working to tackle the problems of hidden deprivation in the area. Its mission and aims are:

- to improve the quality of life for those in the Peak District who are disadvantaged by hidden deprivation
- to address the causes and symptoms of deprivation.

The experience of poverty in the Peak District

People on low income in rural areas face a lack of access to services. The geographical isolation means that accessing services, including training and employment opportunities, is very difficult. The desire to continue living within the Peak District is often impossible for young people and families due to lack of affordable housing in the area. This is exacerbated by the lack of employment opportunities outside the low-paid tourism and agriculture industries, which means that local people face a long commute or an unsatisfying job. In addition, the lack of confidence many women face in returning to work after childcare is further exacerbated by the lack of transport and available childcare for employment or further training.

Many people on low incomes in the Peak District are involved in the informal economy, in employment that is flexible but often undemanding. The opportunities for them to gain meaningful employment is hampered by issues of access, lack of flexibility, few local employers, and many jobs within tourism being seasonal and low paid. In response, PDRDF's Amethyst Project works exclusively with local women to identify and develop ideas that will support them back into work that is meaningful and interesting to them.

Women's isolation

Rural women's isolation, and an often-corresponding lack of confidence, are critical factors behind the ongoing community development work within PDRDF's Amethyst Project. Its community development approach has been vital in providing appropriate and accessible training, group work, support and advice.

Some of Amethyst's most successful work has been in the personal development of socially isolated rural women. As a consequence of taking part in an Amethyst short course such as confidence-building, communication skills or job search-ing, women have gone on to further learning and employment.

The project's evaluation report (Wilson 2005) highlighted the following responses from participants:

- Amethyst has the ability to reach some of the most disadvantaged women in rural areas.
- It has created a space for, and made legitimate, training that is designed to directly meet the needs of local women, for example, training courses that build confidence and are based on real-life experience.
- It has been constant in its struggle to ensure that women can access groups and courses through meeting their support needs as far as possible.
- It has trail-blazed and supported several initiatives and 'it wouldn't have happened without Amethyst' has been used by women to describe opportunities such as the Farm Secretary Focus training programme and Rural Office Rescue.
- It is beginning to match women's training needs with employment opportunities, providing, as one participant put it: 'an opportunity to make a difference in my community and to expand my horizons'.

The link between Amethyst's training and community enterprise work has emphasised the need to both provide, and work with, partners to develop progression routes as a vital way of addressing the problems of rural depri-vation. The ongoing support provided through Amethyst has a direct impact on women's lives.

Sustainable communities

The key issues to address in the Peak District are: economic development, community development, access to services, and affordable housing. PDRDF works with, and in, local communities across the Peak District. From providing accessible short courses in confidence-building in the vil-lage of Waterhouses, to developing a toy library in the town of Chapel, from support to enable women to develop social enterprises through to sessions on single-farm payments, PDRDF seeks to challenge rural depriva-tion and work with local people to effect change in our communities.

The key policy areas that PDRDF has worked on through its working groups are affordable housing and farming. Its policy work within the farm-ing community led to the publication of *Hard Times* (PDRDF 2004), which has been influential. It has been approached to explore the potential for a national network of small farmers and hill farmers. While the Forum's focus

remains on the Peak District, it is through its practical and policy work that it can influence others and share its ideas across the country.

The Affordable Housing Working Group is made up of local residents, housing professionals and other interested bodies, including the Peak District National Park Authority. The aim of the group is to work together to explore practical solutions to affordable housing and to influence policy. The issue of affordable housing is complex: it is not just about building houses to buy or rent, but also about the development and support of sustainable communities in our rural areas.

Sustaining development

PDRDF has been increasingly successful because it has managed to continue working under different grant regimes and now most of its publicity is word of mouth within its target group. For example, the Amethyst Project has become recognised by other agencies as being able to engage with its target group because of its reputation within that group. This is due to long-term development work, which is essential to developing rural communities.

The number of government initiatives and policies at a national, regional or local level is overwhelmingly large. In PDRDF's experience, the strategies are often developed from an urban perspective, with an 'add-on' about rural regeneration. The need to recognise the rural premium – the higher cost of developing services in rural areas – beyond the statutory sector is critical. If the Forum is to continue to develop and regenerate the area's rural communities, the voluntary and community sectors need resources that are adequate to meet the high cost of rural delivery. PDRDF is taking a number of measures to provide sustainable income for its work in rural communities, including social enterprise.

Developing enterprise

The need for enterprise both in creating employment and in meeting community need has been praised in a number of government policies and initiatives. Economic development is critical to challenging rural deprivation, with employment opportunities and access to training as essential elements of that development. In the Peak District, statutory agencies such as the Rural Action Zone and Rural Pathfinder are leading on this issue. PDRDF and other voluntary and community groups have been developing social enterprises to meet community need and provide quality employment.

The experience of PDRDF has shown that there are a number of barriers that need addressing, and support mechanisms that need to be in place, if such enterprises are to be established and be successful. The issues include:

- People who could be employed in a social enterprise do not necessarily have the contacts or the skills to develop a group either for a management committee or a team of staff/workers.
- They may not have business skills. There is a risk in going self-employed or setting up in business, and this can be even greater if it involves pooling resources with others before there is time for trust to develop.
- People who could be employed in a social enterprise may not have the skills or the interest to conduct market research, to research a suitable legal and practical structure for the business, or to identify sources of public funding for potential customers.

Social enterprise and its potential benefits are not widely understood, either by those who stand to benefit from it or by the regular sources of business advice. The need for both start-up and ongoing business support, with specialist knowledge around social enterprise development, is being developed in the Peak District through the voluntary sector, including such initiatives as the Social Enterprise Business Support Partnership.

Linking practice and policy

The Peak District Rural Deprivation Forum has always made a point of trying to develop and maintain a policy–practice link, both to ensure that the lessons learned by the fieldwork are fed into policy (and vice-versa) and also to add value to its resource by working with colleagues from a range of agencies with similar values and remits. The project has continued to work locally to raise awareness and to aim to alleviate rural deprivation across the area. This has involved collaboration at a strategic level, through partnership working, for example, on the Local Strategic Partnership and through Peak Partners for Rural Action (a network of infrastructure organisations working collaboratively in the area).

The need to connect strategic developments with what is happening on the ground is essential if we are to continue to challenge rural deprivation and make an impact on the quality of life of people on low income in our rural areas.

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9. Rural politics and governance
Michael Woods

The trailer for a recent BBC documentary series, A Very English Village, featured a number of sombre statements about rural change, delivered over scenes from village life. Included in these was the statement, over pictures of foxhunting, that 'These people used to govern themselves; now they have laws made for them'. The perception that rural communities have become increasingly powerless in the face of interventions from urban-based politicians, campaigners and corporations is widespread in the countryside. Yet, rural policy in recent years has had, at its core, a strategy of shifting responsibilities to rural communities and engaging rural residents in the governance of those communities.

This chapter examines this apparent paradox. It starts by tracing the development of rural policy at a national level since 1997, including the restructuring of policy delivery and the implications of devolution and regionalisation. It then goes on to look at rural governance at the community scale, including the promotion of deliberative and participatory approaches. Finally, it turns to the mobilisation of rural activists in countryside protests, considering the motivations of the protesters and their political impact.

The rural policy arena

Redefining rural policy under New Labour

Rural policy was not a priority for the incoming Labour Government in May 1997. Its manifesto had contained only a few short paragraphs on 'life in the countryside', mostly vague promises to defend rural services, reform the Common Agricultural Policy, and connect rural schools to the 'informational superhighway', together with two seemingly minor pledges to improve public access to open countryside and hold a free vote on the future of hunting with hounds.

Yet, the new Government was almost immediately faced with two problems. First, it had unexpectedly won a large number of rural and semi-rural seats and needed to have policies that it could deliver to its new rural constituents. Second, the hunting lobby had anticipated the Labour victory and the likely anti-hunting majority in Parliament by reinventing itself as the Countryside Alliance and mobilising a broad coalition of protest against the perceived threat to the countryside of the new 'urban-centric' Government. The gathering of 120,000 people in Hyde Park for the Countryside Rally in July 1997 was the first serious political challenge to the new Government and clearly forced it on to the defensive on rural issues. To reassert its authority,

Labour needed to reclaim control of the rural political agenda, and it could only do that by challenging the protesters' representation of the countryside and promoting its own distinctive rural policies.

A new integrated approach

A fundamental shift in the Government of rural Britain had in fact already happened under the previous Conservative administration. The publication in 1995/6 of the rural White Papers for England, Scotland and Wales (DoE/MAFF 1995, Scottish Office 1995, Welsh Office 1996) had, for the first time, introduced an integrated approach to rural policy, after five decades in which rural issues had been fragmented between different discrete policy communities, and ended the previous prioritisation of agricultural interests. The principles contained in the White Papers – that rural policy needed to balance the interests of the environment, the economy, and people living in the countryside; that the sustainability of rural communities depended on entrepreneurship and community self-help rather than state intervention; and that the countryside was a national treasure in which both rural and urban people had a stake – were consistent with Labour's world view, and were incorporated into Labour's rural policy. However, to meet the political challenge from the 'rural' lobby, Labour needed to go further.

Redefining the 'rural'

Labour therefore embarked upon a thorough redefinition of the 'rural' as a policy space, enabling it to identify its own priorities for the countryside and to establish its legitimacy to govern the countryside. This process began with a re-description of the social, economic and environmental characteristics of rural areas. The Rural Group of Labour MPs, formed after the 1997 election and claiming 180 members, commissioned a Rural Audit or healthcheck of rural Britain, with short summary analyses by academics on topics such as 'crime and social change in rural areas', and 'work and family life in a rural context' (Rural Group of Labour MPs 1999). In parallel, the Performance and Innovation Unit of the Cabinet Office produced a statistical comparison of rural and urban England, and a report exploring the 'rural economies' (Cabinet Office 1999, 2000). These documents were designed to provide a 'rational' and 'objective' basis for rural policy and to lend academic authority to a description that emphasised the diversity of the rural economy and society, the declining significance of agriculture, the importance of the in-migrant population, and the presence of both poverty and prosperity in the countryside.

Shared urban and rural policy issues

From this description, Labour identified policy priorities for the countryside not as farming and the future of hunting, but healthcare, education, employ-

ment, crime and public transport – issues on which Labour was traditionally strong, and which were common to urban and rural areas. It then proceeded to assert its legitimacy to govern the countryside by stressing its one-nation approach to addressing shared urban and rural problems:

'When I attend meetings in rural communities, I'm not surprised to find that their aspirations are no different to my constituents in east Newcastle: decent jobs, good schools, a health service that's there when you need it, protection from crime and an efficient transport system.' (Speech by Agriculture Minister Nick Brown to the Labour Party conference, September 1999)

'Taken as a whole, what's striking is how similar the priorities are of those in the countryside and those living in towns ... There are more common challenges, common values and indeed common solutions, than there are things that divide us.' (Speech by Tony Blair in Exeter, February 2000)

These messages were reinforced in the new Rural White Paper for England, published in November 2000, the foreword to which warned against people who 'want to drive a wedge between town and country' (DETR/MAFF 2000) and which noted the interdependence of urban and rural areas. Beyond this rhetoric, the document built on the earlier White Paper, but with a greater emphasis on the role of market towns, community governance and the monitoring of performance indicators.

Labour, therefore, has essentially treated rural policy as a territorial problem. It has sought to define and describe the countryside as a territorial unit to which rural policy relates (carried forward by the official classification of wards as rural or urban in 2004 [Office for National Statistics 2004]). At the same time, it has recognised that the coherence of this territory is fractured by interactions with urban areas and by spatial variation within the countryside. As such, four key themes can be identified in Labour's approach to rural policy and governance. First, the integration both of policies and of delivery agents for rural areas. Second, the recognition of rural–urban difference through rural proofing and the appointment of a rural advocate. Third, the recognition of rural–urban interaction through the regionalisation of policy delivery. Fourth, the recognition of intra-rural difference, both through an empowerment of rural communities, and through an emphasis on inclusion and exclusion in rural society.

Towards integrated rural governance

An integrated approach to rural policy may have been heralded by the Rural White Papers of 1995/96 (DoE/MAFF 1995, Scottish Office 1995, Welsh Office 1996), but the rhetoric of these papers was not matched in institutional

terms by the reality of policy delivery and co-ordination. Responsibility for rural policy continued to be split between the Ministry for Agriculture, Fisheries and Food (MAFF) and the Department for the Environment (in its various incarnations). The Countryside Agency, formed in England in 1999, at one level represented an integration of the social and community remits of the Rural Development Commission (RDC) and the Countryside Commission, but it also lost the RDC's economic development responsibilities to the Regional Development Agency, and the Countryside Commission's conservation remit to English Nature.

Lessons from the foot and mouth crisis

The shortcomings of this structure were exposed during the foot and mouth crisis in 2001, as attempts to contain the epidemic and help affected areas were hindered by poor co-ordination between government departments and agencies. In particular, the insularity of MAFF and the continuing influence of the farm lobby became clear in the initial response to the epidemic. MAFF worked closely with the National Farmers Union (NFU), but not other parts of Government, and implemented a strategy of containment based on restricting movement. This strategy reflected the interests of agricultural exporters but did not take into account the impact on other parts of the rural economy and was not based on an overarching economic analysis. The Lessons to be Learned Inquiry estimated the total cost to the rural economy to be between £2.2 billion and £2.5 billion, of which only £355 million was borne by agricultural producers, including £130 million in loss of export earnings (Anderson 2002). Interestingly, this economic impact had been more or less accurately predicted by the Countryside Agency at the beginning of March 2001, but a press release it put out to this effect was repudiated by MAFF.

MAFF and the Countryside Agency replaced

The replacement of MAFF by the Department for the Environment, Food and Rural Affairs (Defra) in June 2001 was described by the Environment Minister at the time, Michael Meacher, as 'an inspired seizure of the best opportunity for reform in decades' (Meacher 2001, see also Woods 2005). The integration of rural policy delivery was pushed further by the Haskins review, commissioned by Defra with the objective of 'simplifying or rationalising existing delivery mechanisms and establishing clear roles and responsibilities and effective co-ordination' (Haskins 2003: 7). Haskins documented the complex networks of departments, agencies and partnership bodies involved in rural policy delivery, but his recommendations reflected his background in agri-food business. Revealingly, the titles of two chapters in the report refer to 'Bringing delivery closer to the customer' and 'Making things better for the customer' – not the citizen or the rural resi-

dent. In this linguistic detail, Haskins reinvented the governance of the countryside as a business transaction.

The subsequent dismantling of the Countryside Agency, with its functions divided between Natural England' – the new 'integrated agency' formed through merger with English Nature – the regional development agencies and a remnant Commission for Rural Communities, demonstrates the subjectivity of policy integration. The changes have increased the integration of policy delivery for sustainable land management, and further integrated regional economic policy, but the abolition of the Countryside Agency has arguably reduced the integration of policy delivery on rural social issues. As such, the implementation of the Haskins recommendations may be viewed as a partial reversal of the trend of New Labour's early rural policy – returning to an emphasis on land management and exploitation at the expense of the social agenda that was promoted during the first term.

Rural advocacy and rural proofing

The post-Haskins reforms are, however, a logical progression of the earlier New Labour representation of the countryside in one respect. By identifying the key issues for rural areas as being the same as those for urban areas – health, education, transport, and so on – the Government provided a rationale for the integration of these policy areas at the regional scale. However, the political pressure of the rural lobby required that some mechanism be found for acknowledging rural–urban difference in policymaking. This function was filled through the appointment of Ewan Cameron, the chair of the Countryside Agency (and former president of the Country Land and Business Association [CLA]) as 'rural advocate' in November 2000, and the introduction of 'rural proofing' of policies. In a statement on his appointment, Mr Cameron outlined the purpose of these innovations:

> 'I want to see every government department test its policies against rural needs – does the policy work for or against, include or exclude, rural people and places? This so-called rural proofing will be a tougher test of the government's commitment to the countryside than setting up a new rural department. It will mean that there is no opt-out clause for any government activity. Rural concerns are no different from urban worries on health, jobs, services, transport, housing, education – but they need rural solutions.' (Countryside Agency 2000a)

However, the effectiveness of both rural proofing and the rural advocate can be questioned. The Commission for Rural Communities reported that the routine use of rural proofing in government departments is expanding and highlighted cases where it had had a positive impact on policy delivery. However, it also concluded that 'there is a need for more significant steps forward' (2005: 4), particularly with regard to core issues of funding and resource allocation.

Furthermore, it might be argued that rural proofing occurs too late in the policy development process. The rural impact of major policy announcements, such as the recent proposals for education reform, have too often clearly not been considered in advance, and to raise complications later may be perceived as a political challenge that the rural advocate is ill-placed to pursue.

The role of rural advocate has now passed to the chair of the Commission for Rural Communities and, indeed, the Commission's remit is as 'advisor, advocate and watchdog' (Defra 2005: 7). The Commission is clearly envisaged as an independent body along the lines of watchdogs such as the Commission for Racial Equality, yet its task is significantly different to that of monitoring and adjudicating on discrimination. This is not least because 'rural interests' are not objectively defined, it has no direct mandate from the rural population and its impact is ultimately dependent on the co-operation of other government departments and agencies.

Devolution and regionalisation

The development of the Government's rural policy has been cross cut by its commitment to devolution and regionalisation. The aims of rural policy and the ambitions of devolution are consistent with each other in that devolution allows both the recognition of intra-rural difference between regions, and the integration of rural and urban policies at a regional scale. However, this commitment also militates against the treatment of the countryside as a singular political unit, and produces policy divergence.

This can be seen in the experience of devolution in Scotland and Wales. Divergence of rural policy was already evident in the separate Rural White Papers published for Scotland and Wales in 1996 (Scottish Office 1995, Welsh Office 1996), but intensified with political devolution in 1999 as the new administrations responded to the different political contexts.

Scotland

In Scotland, the politics of coalition prevailed, with Labour effectively leaving rural affairs to their junior Liberal Democrat partners, whose political strength is in the rural periphery. Combined with the creation of an integrated Environment and Rural Affairs division, the shift in political leadership has restructured policy networks in Scotland but did not lead to the comprehensive redefinition of the rural policy field pursued in England. Agriculture has arguably remained the main focus of rural policy, but with some degree of integration of rural development and social justice concerns, particularly those of significance in remoter rural Scotland (Keating 2005, Keating and Stevenson 2006). At the same time, the combination of progressive rural and urban opinion in the Scottish Parliament has backed radical policies such as land reform, exposing the marginalisation of the landowning lobby that had enjoyed influence under the previous Conservative administration.
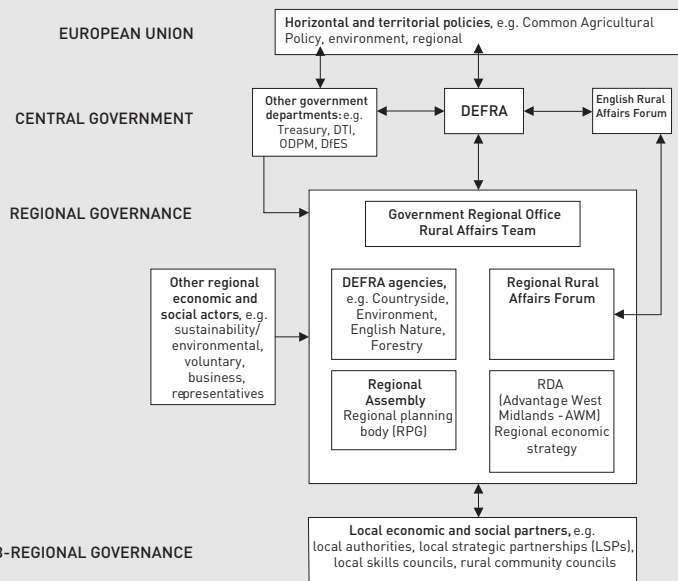
Wales

In Wales, the terrain of rural policy was defined in the vacuum between the devolution referendum in 1997 and the first Assembly elections in 1999 by the collapse of farm-gate prices and the mobilisation of Welsh farmers in direct-action protests. The NFU Wales and the Farmers Union of Wales used their advantage as the only major rural bodies already organised at an all-Wales level to position themselves as the primary representatives of rural Wales in dealing with the new Assembly. Drawing on a deep-seated cultural association between farming, rurality and national identity in Wales, they were able to translate the agricultural crisis not only into a 'rural crisis' but also a 'national crisis', which was waiting for the incoming Labour Government, elected largely by urban voters. Caught off-guard, the Assembly Government lacked the capacity to challenge this representation of rural policy priorities (Woods 2005).

The legacy of this initial wrong-footing has persisted, and rural policy in Wales continues to be dominated by agricultural policy with little integration of wider social or economic issues. The Assembly's major policy paper on rural affairs, *Farming for the Future*, reinforced the representation that 'the family farm defines the character of Welsh rural society and its sense of identity' (National Assembly for Wales 2001: 7), despite the farm population constituting less than 10 per cent of the Welsh rural population. Some attempts were made to shift the policy focus to rural community development during the Labour–Liberal Democrat partnership Government of 2001–3, but were overshadowed by the foot and mouth outbreak, and problems of late farm payments. Following the 2003 elections, the majority Labour Government in the Assembly has further marginalised rural social issues, with many Labour Assembly members unconvinced that the problems of rural Wales are as pressing as the clear and visible deprivation of the Valleys communities.

England

In England, the regionalisation of rural policy started with the transfer of functions from the Rural Development Commission to the new regional development agencies (RDAs) in 1999, but this was largely a horizontal redistribution of responsibilities rather than a vertical devolution. MAFF (and later Defra) continued to be one of the most centralised government departments. Rural policy at the regional level, therefore, has been delivered through a complex network of government offices, agencies, forums and partnerships, operating within a multi-level hierarchy of rural policy development (see Figure 9.1). The Haskins report (2003) recommended a simplification of this structure, with the creation of new regional rural priorities boards, which would replace a number of independent programming boards and strategy groups, but still left a large number of groups operating in the network (see Figure 9.2).

Figure 9.1: Institutional structures for rural policy in the West Midlands (before Haskins' recommendations were implemented)

EUROPEAN UNION

Horizontal and territorial policies, e.g. Common Agricultural Policy, environment, regional

CENTRAL GOVERNMENT

Other government departments: e.g. Treasury, DTI, ODPM, DfES

DEFRA

English Rural Affairs Forum

REGIONAL GOVERNANCE

Government Regional Office Rural Affairs Team

Other regional economic and social actors, e.g. sustainability/ environmental, voluntary, business, representatives

DEFRA agencies, e.g. Countryside, Environment, English Nature, Forestry

Regional Rural Affairs Forum

Regional Assembly Regional planning body (RPG)

RDA (Advantage West Midlands - AWM) Regional economic strategy

SUB-REGIONAL GOVERNANCE

Local economic and social partners, e.g. local authorities, local strategic partnerships (LSPs), local skills councils, rural community councils

Source: adapted from Pearce *et al* (2005)

Figure 9.2: Simplified structure for rural policy co-ordination in the north west

CO-ORDINATING BODIES

New Integrated Agency

Regional Rural Priorities Board (Chaired by Government Office for the North West)

North West Regional Assembly

North West Regional Development Agency

FORUMS

England Rural Development Programme (ERDP) Regional Consultation Group

Regional Biodiversity Forum

Forestry Regional Advisory Committee

Market Town Steering Group

Areas of Outstanding Natural Beauty (AONB) Management Boards

Rural community council management groups

Cumbria Rural Regeneration Company

Objective 2 Programme Monitoring Committee (rural aspects)

Farm Business Advisory Service (FBAS) Implementation Group

Objective 1 Programme Monitoring Committee (rural aspects)

Regional Forestry Strategy Steering Group

Cheshire Rural Partnership

Lancashire Rural Partnership

Cumbria Strategic Partnership Rural Sub-group

LEADER+ Programme Monitoring Committee

Action for Sustainability Management Board

North West Food Alliance

Source: adapted from Haskins 2003

Variations between regions

Despite the complexity of these networks, the regional tier is still considered by many to be the 'missing link' in rural governance. There is significant variation between regions as to the partnerships and organisations that exist at a regional scale, and in the funding programmes and initiatives that are available. Regional bodies and partnerships lack direct democratic accountability, and their operation can be affected by the politics of competition between different parts of the region and different tiers of governance. At the same time, however, attempts to increase the democratic legitimacy of regional governance have proved controversial.

As Ward *et al* observe, the regionalisation of rural policy involves both demands for rural 'differentiation' and rural 'integration' (2003: 202), the former seeking to address the distinctive needs of a region's rural areas, and the latter seeking to incorporate rural issues within broader regional strategies. The resolution of this tension has varied between regions and, to some extent, reflects the strength of explicit rural representation on RDA boards. While some RDAs have developed very clear rural policies and programmes, others have been less proactive in creating explicit mechanisms for engaging rural groups and developing *rural strategy* – in some cases, with the aim of avoiding the 'ghettoisation' of rural issues (Ward *et al* 2003). Rural issues can consequently receive fairly tokenistic treatment in regional strategies, confirming some of the fears of rural lobby groups, which had warned that the emphasis on rural integration would lead to rural interests being overshadowed by urban interests within a region.

The importance of the county

Proposals to introduce elected regional assemblies further reinforced fears about the marginalisation of rural interests within regional governance, not least because the proposals involved the abolition of county councils, which are widely perceived both as institutions for rural self-governance and as expressions of a territorial rural identity. Focus group research in the north east and north west of England and in the West Midlands has revealed that rural residents in these regions consider themselves to have little in common with the cities of the region, and that they have a far stronger sense of attachment to the county than to the region (Jeffery 2005, Pearce *et al* 2005).

Indeed, the importance of the county as a reference point for rural identity should not be underestimated: it helped to derail local government reorganisation in the 1990s, when county councils such as Somerset were defended by campaigns that identified the authority with the rural character of the territory; it contributed to the 'no' vote in the north east referendum on regional devolution in 2004; and it presents a major obstacle for any future attempt to move towards a structure of city regions.

Empowering rural communities?

Governing through communities

The reformulation of rural policy and governance at national and regional levels has happened in parallel with a trend at a local level of making rural communities more responsible for their own governance and of seeking to engage rural residents more actively in community self-governance. The encouragement of community participation in rural development has a long heritage stretching back to the 1970s (Edwards 1998) and has been further promoted through European rural and regional policy.

The principle that rural development should be community-driven was enshrined in the Cork Declaration on rural development in 1996 (ECRD 1996) and is embedded in the delivery mechanisms of LEADER+ and other EU regional development programmes. More broadly, the Rural White Papers of 1995–96 were described by Murdoch (1997:112) as introducing a new strategy of 'governing through communities' in which the country-side was represented as a patchwork of small, tightly knit communities with both the ability and responsibility to help themselves, while the direct involvement and responsibility of the central state in addressing rural problems was reduced. The English Rural White Paper (DoE/MAFF 1995), in particular, explicitly set out actions to be taken by rural residents and other rural stakeholders, as well as promises of government action.

The 2000 Rural White Paper for England (DETR/MAFF 2000) reiterated and developed this approach, with a chapter devoted to community governance and participation. This set out proposals for strengthening the role of parish councils (discussed further below), involving local people in the development of community or parish plans, increasing consultation with rural communities, and providing financial support for communities to address problems of service provision or transport. The proposals were largely implemented through the Vital Villages scheme, which, by the time of its demise with the Countryside Agency in 2005, had provided £35 million in support to rural communities, including 1,200 community services grants, 345 rural transport projects and 1,200 parish plans.

Active citizenship and the auditing of rural community life

The 'governing through communities' approach has introduced a new form of active citizenship in rural communities, in which the citizen is no longer regarded as the passive recipient of government services, benefits and rights, but is expected to be actively involved in the governance of their own community (Woods 2006). This can span a range of activities, from taking on leadership roles as a councillor or a member of a local partner-ship or committee, to running youth groups, organising local events, or providing informal care for neighbours, to attending public meetings and taking part in consultation exercises on the community's future. As the

units through which active citizenship takes place, communities are supposed to gain the capacity to act to address their own problems, setting their own priorities for development, and providing their own services and facilities. Although communities are expected to invest local resources, they can also bid for funding to a large number of competitive grant schemes run by the RDAs, the devolved governments in Scotland and Wales, and through the EU structural funds.

An uneven geography of community development?
At one level, therefore, it is possible to identify an empowerment of rural communities and their residents. No longer are the ambitions and priorities of rural communities constrained by the spending decisions of central and local government, and no longer should they have unsuitable regeneration strategies imposed on them. However, the 'governing through communities' approach also promotes a particular moral agenda, with normative expectations on both individuals and communities.
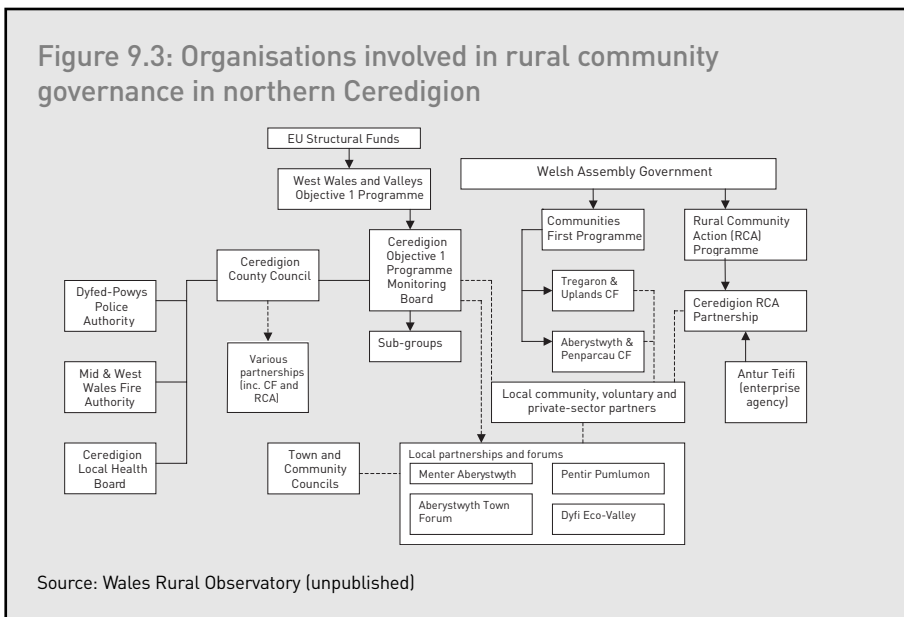
Good citizens participate in community governance and help to achieve benefits for the community, while bad citizens do not participate and are therefore failing in their responsibility to the community. At a collective level, good citizen communities are defined by visible participation, partnership working and the use of local resources, and can meet the criteria to be rewarded with grants from external funding programmes. 'Bad citizen communities' cannot meet these criteria, do not get funding and therefore miss out on new community facilities and regeneration (Woods *et al* 2006). As middle-class communities with residents who can contribute professional skills, time and funds for project development are best placed to put together successful applications for grants, there is a danger that the geography of social and economic disadvantage in the countryside might be reproduced in an uneven geography of rural community development (Edwards *et al* 2000, Jones and Little 2000).

The Rural White Paper in 2000 envisaged that the performance of communities in England against these expectations would be audited as one of its 'headline rural indicators' (DETR/MAFF 2000). The 'community vibrancy' indicator was intended to classify parishes into four categories: vibrant, active, barely active and sleeping, on the basis of the number of meeting places, voluntary and cultural activities, and contested parish elections. However, this plan proved to be both logistically difficult and politically controversial, as villages objected to their inclusion on a provisional list of 'sleeping parishes' (Edwards and Woods 2004: 177). The review of the Rural White Paper in 2004 reported that suitable data sources had not been identified for the community vibrancy indicator, and the measure appears to have been quietly abandoned (Defra 2004).

The changing of strategy towards rural community governance described above has been accompanied by changes in the mechanisms and structures of rural governance. In line with the objective of engaging rural citizens more fully in the governance process, practices have been introduced to directly involve residents in identifying and discussing the problems facing rural communities, and in proposing and implementing responses, for example, through community plans, planning for real exercises and surveys, as well as through more routine consultation forums (Countryside Agency 2000b). At the same time, partnerships have become established as the primary structure through which rural policy is developed and delivered at a local level, connecting participants from the public, private, voluntary and community sectors, and contributing to what Goodwin calls 'the tangled hierarchies which increasingly govern rural areas in a complex web of interdependence' (1998: 6).

Figure 9.3 illustrates the range of bodies involved in local governance in a part of rural Wales.

Figure 9.3: Organisations involved in rural community governance in northern Ceredigion

Source: Wales Rural Observatory (unpublished)

The complexity of the new rural governance arrangements inevitably has had implications for the transparency of governance and for the resource demands on those involved. Voluntary and community sector organisations, for example, have been enrolled into governance networks, creating new opportunities for the representation of previously marginalised groups, but also placing new demands on these organisations and chang-

ing the way in which they work. Rural community councils, for instance, established during the inter-war period to fill a vacuum in rural leadership, but conventionally largely focused on supporting amenity provision in rural communities, have assumed an increasingly 'politicised' role through engagement in partnership working and the broader representation of rural community interests. Furthermore, the fragmentation of rural governance, with partnerships formed with specific task-orientated responsibilities, has produced a replication of responsibilities. It has also generated a growing cadre of rural governance professionals, whose time is largely consumed with networking, attending meetings and servicing the partnership mode of policy delivery.

Towards deliberative and participatory democracy

Embedded in this new rural governance structure is a shift in emphasis in the practice of local democracy, from representative democracy to deliberative and participatory democracy (Thompson 2005). In part, this transition has occurred as a critique of established elected local government in rural areas, which critics have variously characterised as being dominated by local elites, opaque in its decision-making processes, weakened by the extent of uncontested elections, and swayed by party political agendas. Yet, while the adoption of deliberative and participatory methods has clear benefits for increasing the inclusiveness of rural governance and helping to reach consensual solutions, it also raises new issues about the nature of participation, legitimacy and accountability in rural governance.

Community planning exercises, for example, can provide high-quality engagement with the local policy process for those who participate, but the numbers participating frequently constitute only a small proportion of the local population and are not formally accountable to the rest of the community for the decisions they make. Similarly, partnerships are often explicitly designed to involve groups that are under-represented in formal local government, including women and young people. However, in most cases, partnership members are appointed or nominated rather than elected, and the lines of accountability from a partnership member to the group that they are supposedly 'representing' can be weak or non-existent (Edwards *et al* 2000). Furthermore, the internal dynamics of partnerships can work against community 'representatives', who are not familiar with the style of business and lack the time, training and experience of the 'professional' members representing local government and public agencies (Edwards *et al* 2000).

There are signs, however, that formal local government is reclaiming its leadership role in rural governance. Attempts to rationalise the matrix of partnerships, for example, through the creation of Local Strategic Partnerships (LSPs) in England, has given a greater co-ordinating and steer-

ing role to district and unitary councils. At the same time, more rural local authorities are incorporating participatory and deliberative mechanisms in to the way in which they work, as well as experimenting with forms of local devolution, including area committees and the delegation of responsibilities to town, parish and community councils. As such, rural local governance is likely to see a more successful blending of types of democratic engagement in the future than in the recent past.

Town and parish councils (known as community councils in Wales) have formed the most local tier of rural government for over a century, yet their role in community leadership has been constrained by a lack of resources and powers, and by difficulties in attracting candidates for elections. As Table 9.1 shows, fewer than a third of elections to town, parish and community councils in England and Wales between 1998 and 2000 were contested and, in over a third of wards, fewer candidates were nominated than seats available (Edwards and Woods 2004). Scepticism about the democratic legitimacy of local tier councils was reflected in the initial approach of the Labour Government after 1997, with hints that the councils could be abolished and replaced with neighbourhood forums. However, by the time of the Rural White Paper's publication in 2000 (DETR/MAFF), this had been modified to a strategy of encouraging good practice and rewarding active parish councils with an enhanced role.

Table 9.1: Contestation of elections to town, parish and community councils in England and Wales, 1998–2000

More candidates than seats	28%
Same number of candidates as seats	32%
Fewer candidates than seats	36%
Uncontested (number of candidates or seats unknown)	4%

(% of wards; n = 8,573)
Source: Edwards and Woods (2004)

Quality Parish and Town Council scheme
The Quality Parish and Town Council scheme, launched by Defra and the ODPM in 2003, has the potential to significantly increase the part played by local tier councils in rural governance, enabling councils that pass the 'quality test' to draw down delegated functions from principal authorities. Equally importantly, however, the scheme is intended to act as a benchmark against which residents can assess the performance of their council. As such, the scheme is both a strategy for empowering rural communities,

and a means of auditing the conduct of community governance. The test covers electoral contestation, the qualifications of the clerk, the frequency and form of council meetings, communication with local residents, and accounting procedures. In theory, the test is open to all town and parish councils in England, yet the criteria are difficult for many smaller councils to meet. By the end of February 2006, 261 councils had obtained 'quality' status, but this remains a very small fraction of the approximately 8,000 town and parish councils in England (National Association of Local Councils 2006).

Varying approaches in Wales
The challenges involved in transforming the local tier council sector are revealed in research for a similar review of town and community councils in Wales (Woods *et al* 2003). Not only do local tier councils exhibit great diversity in their population, range of services and facilities provided, personnel employed, and the size of their budget and precept, but they also vary in their approach to community leadership and their attitudes towards their future role. Some councils are actively carrying out delegated functions on behalf of principal authorities, such as maintaining footpaths and bus shelters; others have formed partnerships with other bodies to access funding for projects from conservation work to tourist information centres; others have led campaigning on local issues such as post office or factory closures; others see their role as supporting local societies and events; others focus on the provision of basic community facilities such as benches, signposts and meeting halls (see Table 9.2).

These different approaches are not necessarily dictated by community size, and councils of all sizes are conscious of both their external constraints and internal limitations. Many councils are frightened of being forced to take on more responsibilities, or of being classified as inefficient or inactive. At the same time, good relations with principal councils are essential to the effective working of local tier councils, and these can sometimes be hindered by the negative attitudes of some principal authority councillors and officers. Additionally, any significant expansion in the role of town, parish and community councils will depend on adequate resourcing, including resolution of the complex question of avoiding double taxation where functions are delegated (Woods *et al* 2003).

Local rural politics and conflicts

The promotion of community engagement in rural governance is underpinned by an implicit assumption that communities are able to express their interests with a single voice, or at least that residents are able to reach a consensus as to the interests of the community. Moves to return

Table 9.2: Indicators of activity by town and community councils in Wales, 2002

Largest precept set, 2002–03	£667,435
Smallest precept set, 2002–03	£0
Mean precept set, 2002–03	£25,845
Number of councils with precept of £200,000 or more, 2002–03	15
Number of councils setting a zero precept, 2002–03	4

	Percentages
Councils employing a full-time clerk	4.6
Councils with a volunteer clerk	6.5
Clerks with access to office facilities	27.0
Councils with employees other than the clerk	14.4
Councils providing signs and notice boards	75.1
Councils providing seats and shelters	69.2
Councils providing playgrounds or playing fields	38.2
Councils providing lighting	26.6
Councils providing village halls or community centres	24.0
Councils providing advice or information services	12.4
Councils providing crime-prevention measures	10.6
Councils providing traffic calming	8.1
Councils providing indoor recreation facilities	3.4
Councils providing community transport	1.4
Councils performing functions delegated by principal authority	43.0
Councils grant-aiding village halls	49.9
Councils grant-aiding arts events and facilities	31.5
Councils with expenditure on community events	29.9
Councils making grants to local organisations	85.0
Mean total value of grants to local organisations	£1,428
Councils contacting local MP in 2001–02	56.4
Councils represented on school governing bodies	81.1
Councils represented on police liaison committees	48.3
Councils involved in partnerships	approx. 20.0
Councils providing financial support to partnerships	17.0

Source: Woods *et al* (2003)

to more formal structures of democratic engagement through enhanced parish councils and local strategic partnerships similarly tend to emphasise a singular representation of community interests, while limiting the scope for more permissive, plural and competing voices to be heard. Yet, one consequence of social and economic restructuring in rural areas has been to stoke local conflicts over the appearance, character and development of rural communities (Woods 2005). Contested elections to parish councils, for example, often indicate local disputes over planning issues, the upkeep of community facilities, provision of street-lighting or

similar parochial concerns. As such, local conflicts are frequently informed by particular idealistic notions of what rural communities should be like – the rural idyll. These conflicts can be positioned as part of new 'politics of the rural', in which the meaning and regulation of rural space has become the central concern of political debate and conflict (Woods 2003).

Furthermore, in a countryside subjected to multi-dimensional sources of power (Horton 2004), the capacity to act as participants in community governance is limited, and local campaigners find that issues cannot be resolved at a local level. Many of the most significant challenges to rural lifestyles, jobs, infrastructure and environments come from power sources that are still located outside rural communities – central government, the European Union, corporations, interest groups and the less tangible influences of the media, consumers, globalisation and urban culture. It is in this sense that rural people still feel as though they have lost power over their own lives and communities; on the basis of this, they have mobilised to represent their 'rural interests' to external actors.

Representing the countryside

The countryside protests

The emergence since 1997 of rural protests as a prominent feature of British politics has been particularly noticeable because they have marked a sharp change in approach in the representation of rural interests. With the exception of occasional, limited farmers' protests – for example, over the introduction of milk quotas in 1984 – rural protests have not been part of British politics as they have in many other countries, with rural interests instead being represented through the 'insider' networks of the farm unions and the traditional rural elite (Woods 2005).

In part, the mobilisation of rural activists since 1997 reflects the presence of a Labour Government, with whom rural groups and leaders had poor connections before its election. But this mobilisation also reflects an erosion of the influence of the established rural lobby groups that had started under the Conservatives, and the climax of significant problems in agriculture, planning and rural services that had also been developing over time.

The countryside protests of 1997–2005 can be divided into three broad categories, derived from their primary motivation, as discussed below.

Pro- and anti-hunting protests

First, the repeated attempts to ban the hunting of wild mammals with hounds formed the stimulus for the largest and most prominent protests.

Indeed, pro-hunting activists started to plan the 1997 Countryside Rally before the general election in the anticipation that a Labour victory would result in an anti-hunting majority in Parliament (Hart Davis 1997, Woods 2005). The relative success of the hunting lobby in generating enough pressure to repeatedly delay or disrupt the passage of legislation formed the context for a long series of protests up to the eventual introduction of a ban in February 2005. These protests included not only the three large London rallies, but also smaller marches, rallies, meetings and demonstrations in regional centres and outside Parliament and party conferences, and the picketing of ministerial visits (see Table 9.3). Hunting was also the primary concern of a number of small, militant action groups including the Countryside Action Network, the Real Countryside Alliance, and the Rural Rebels, whose activities included road blockades and stunts, such as placing a large model of a hunter on the White Horse of Uffingham.

Farmer-led protests
Second, agricultural problems have framed a second series of protests by militant farmers. These began in November 1997 when farmers in north Wales picketed Holyhead docks to demonstrate frustration at cheap meat imports at a time when the export of British beef was still banned following the BSE scare (Woods 2005). The Holyhead protests set a precedent for militant direct action by farmers, and more than 100 protests were recorded by the *Farmers Weekly* between 1996 and 2000 as demonstrations were triggered by problems in different agricultural sectors (Reed 2004). The most disruptive protests came in September 2000, when farmers joined with hauliers to blockade fuel depots in protest at high fuel prices, prompting a national political crisis. While later protests have not had the same impact, Farmers for Action – the action group that developed out of the early farmers' protests and played a key role in the fuel protests – has continued to organise frequent actions, including, most recently, a one-day strike by 3,500 farmers in November 2005.

Small-scale, services-related protests
Third, alongside the key issues of hunting and agriculture, smaller-scale protests have also been provoked by concerns over new housing developments, the closure of rural schools, post offices and other services, the erection of windfarms and telecommunications masts, and the opening of asylum reception centres in rural areas (Hubbard 2005, Woods 2005). Although these protests have generally been localised, they complement the larger, higher-profile protests as expressions of rural reaction against perceived external threats.

Table 9.3: Selected countryside protests, 1997–2005

July 1997	Countryside marches from Cornwall, Cumbria, Scotland and Wales to Hyde Park
27 July 1997	Countryside Rally in Hyde Park, London (120,000 participants)
Nov 1997–Jan 1998	Pickets by farmers at nine ports including Holyhead, Fishguard and Plymouth, and supermarket depots, in protest at beef imports and falling prices, supported by town-centre demonstrations.
1 March 1998	Countryside March, London (250,000 participants)
14 June 1998	Demonstration by 10,000 farmers at EU summit in Cardiff against Common Agricultural Policy reform
Sept–Oct 1998	Farmers' protests over lamb prices including blockade of Second Severn Crossing and pickets of meat-processing plants and supermarket depots
Sept–Oct 1999	Farmers' protests at party conferences and outside Parliament
Autumn 1999	Regional rallies by Countryside Alliance in Birmingham, Newcastle, Norwich, Cardiff and Exeter
Feb–March 2000	Blockades of dairies in Wales and farmers' demonstration in Cardiff over milk prices
July 2000	Blockade of Severn Bridge by pro-hunting Rural Action Group
September 2000	Farmers and hauliers blockade fuel depots in protest at high fuel prices
Feb–June 2001	Foot and mouth (FMD) epidemic provokes considerable rural discontent and sporadic protests
May 2001	Protests against FMD carcass disposal site at Eppynt, Wales
December 2001	Rolling blockades on major routes in Scotland by Rural Rebels
July 2002	Rolling blockades of seven motorways by Countryside Action Network
August 2002	24-hour strike by Farmers for Action
August 2002	Real Countryside Alliance adds model of hunter to Uffingham White Horse
22 Sept 2002	Liberty and Livelihood March, London (408,000 participants)
December 2002	'March on the Mount', Edinburgh, in protest against Bill to ban hunting in Scotland
February 2003	Real Countryside Alliance protesters suspend 'Love Hunting' banner from the Angel of the North
September 2004	Hunting protesters invade House of Commons during demonstrations outside Parliament
November 2004	Hunting protests outside Parliament during debate on Hunting Bill
February 2005	Introduction of hunting ban in England and Wales. Mass hunt meets
November 2005	3,500 farmers join three-day 'strike' by Farmers for Action

A new 'rural movement'?

Thus, while the countryside protests have multiple stimuli, they are underpinned by a degree of discursive cohesion. The positioning of hunting as the frontline in the defence of the countryside, reproduced in the formation of the Countryside Alliance and the organisation of the Countryside Rally, was deliberately contrived by hunting activists in order to build a broader coalition of protesters (Woods 2005). Yet, this has become more than a gimmick. Most participants in the Countryside Rally, Countryside March and Liberty and Livelihood March were primarily concerned about hunting, but placards at these events also referred to agriculture, the 'right to roam', housing development and the closure of rural services.

The Countryside Alliance itself has broadened its campaigns beyond hunting. Most importantly, for many participants in rural protests, the issues are indivisible. Hunting, farming, village services, and so on are all part of their lifestyle and threats to each are perceived as an attack on their way of life. It is through this overlapping of concerns and interests that it is possible to see the disparate countryside protests as constituting a new 'rural movement' (Woods 2003).

Who were the countryside protesters?

The notion of the mass mobilisation of the countryside is an important rhetorical device for the rural lobby. The use of poster-boards and beacons to promote the major London demonstrations has conveyed an impression of territorial mobilisation across rural regions, while the rallies themselves were represented as 'the countryside comes to town', together with descriptions of farms and kennels being left with skeleton staff, and small town shops and offices closing for the day (Hart Davis 1997). Yet, this representation can be challenged from a number of perspectives.

Beyond the rural

The London demonstrations, for instance, were not wholly constituted of rural people coming to the capital to protest. A Mori poll at the Countryside March in 1998 found that 16 per cent of participants lived in towns and cities, and five per cent in suburbs; only 57 per cent described themselves as living 'in the middle of the countryside'. Furthermore, 63 per cent of participants were from southern England (Woods 2005). Numerically, the countryside protests have been among the largest public demonstrations in Britain in recent decades, and the 100,000 strong membership of the Countryside Alliance positions it as a major pressure group, yet as a fraction of the total rural population, these numbers are comparatively small.

Uneven rural participation in activism

Levels of participation in rural activism among the rural population are socially and geographically uneven. Milbourne (2003), for example, reports that around one third of residents surveyed on Exmoor were members of the Countryside Alliance, but membership levels dropped to one in twenty residents in Leicestershire and fewer than one in fifty in Cumbria and Powys. Similarly, Milbourne also suggests that Countryside Alliance membership in these districts is four times higher for farmers than non-farmers, and 50 per cent higher for 'local households' than 'newcomers'; while a survey by Lusoli and Ward (2003) indicated that farmers and small-business owners were over-represented among members and the rural working class under-represented.

A question of identity politics

More importantly, rural activists are culturally and politically distinctive. They are motivated by a strong rural identity that is founded less on territorial residence than on adherence to a traditional rural way of life:

> 'The Countryside Alliance believes the countryside is best defined by its inhabitants. Families involved in traditional, conservation-minded farming and allied trades are part of the true rural population. So too are people who participate in country sports, and support an identifiable rural culture and rural system of values. This includes many recent settlers from towns, as well as many who, by circumstance, are forced to live in towns and cities for at least part of their lives.' (Countryside Alliance 1998)

As such, the countryside protests are an expression not of a territorial politics but of an identity politics. Rural activists have drawn comparisons between themselves and other minority groups fighting to defend their culture and identity, and have portrayed threats such as the hunting ban as acts of persecution. This sense of persecution informed the positioning of the 2002 demonstration as the Liberty and Livelihood March, and is reflected in the depth of commitment of individual activists. Although rural activists tend by background and socialisation to be politically conservative, there is a growing strain of militancy. Following direct action protests by fringe groups such as the Countryside Action Network and the Real CA, an article in *The Field* magazine on the eve of the Liberty and Livelihood March explored the potential for more widespread disruptive action (Walton 2002, Woods 2005). The threats it reported of motorway blockades and cutting water supplies have not been matched by action, and the militant groups have faded with the completion of the Hunting Bill.

However, the support expressed for the protesters who invaded Parliament in September 2004, and the defiance of hunt supporters fol-

lowing the introduction of the ban, suggests a continuing willingness to countenance civil disobedience and confrontation. Furthermore, rural activists have become adept at combining different forms of political engagement. For example, while the NFU has repeatedly condemned the confrontational tactics of Farmers for Action, Reed (2004) reported that local branch officers of the NFU were actively involved in farm protests in Devon.

The rural vote in the 2001 and 2005 general elections

The reading of the countryside protests as identity politics rather than territorial politics is supported by analysis of the rural vote in the 2001 and 2005 general elections. Labour unexpectedly won a number of rural and semi-rural constituencies at the 1997 election and was widely predicted to lose many of these at the 2001 election as part of a rural backlash. However, as Table 9.4 shows, the swing from Labour in rural seats was only marginally more than the national swing, even in those seats most severely affected by the threat to hunting, the foot and mouth crisis, and broader agricultural problems (Woods 2002). In only one seat lost by Labour, Carmarthen East and Dinefwr, were rural issues a significant factor (the loss of Taunton by the Liberal Democrats was also widely attributed to the hunting vote, but closer analysis suggests that the return of tactical voters to Labour was at least as important).

Table 9.4: The Labour vote in selected rural constituencies at the 2001 general election

Constituency type (number of seats)	Labour vote 2001	Change 1997–2001	Swing Lab–Con	Labour seats	Change 1997–2001
Hunt kennels in seat (159)	30.5%	-1.6	+2.1	48	-3
Three or more hunt kennels in seat (34)	23.3%	-2.4	+3.1	6	-1
Top 20 farming seats (20)	21.4%	-2.3	+2.8	2	-1
One or more cases of foot and mouth disease (93)	36.2%	-2.5	+2.5	46	=
20 or more cases of foot and mouth disease (19)	30.6%	-3.3	+3.7	7	=
High car ownership and low population density (60)	25.5%	-1.8	+2.9	5	-2
Partially rural seats on ACORN classification (76)	25.5%	-1.2	+2.3	15	=
All GB constituencies (641)	42.0%	-2.2	+1.84	12	-6

Source: Woods (2002: 206-228)

Changing political polarisation in the countryside

The 2001 election results reveal a political polarisation within the countryside. Mori had found that 79 per cent of participants in the Countryside March had voted Conservative in 1997, and only seven per cent had voted Labour. The increasing disaffection of this group did not, therefore, present any direct threat to Labour's vote in rural constituencies. At the same time, voters in the broader rural population who had backed Labour in 1997 were largely unswayed by the countryside protests and continued to support the party in 2001. As the then chair of the Rural Group of Labour MPs, Peter Bradley, commented in June 2000, 'one of the reasons I think we may surprise a lot of people is because Labour MPs in rural seats have penetrated those parts of their constituencies the Conservatives never knew existed' (Hinsliff 2000: 11).

The rural lobby changed its tactics for the 2005 election. Through a new organisation, Vote OK, hunt supporters were directed to actively help in the campaigns of pro-hunting candidates against anti-hunting MPs in both rural and urban constituencies. Vote OK is reported to have put hundreds of activists into constituencies, such as Newbury, and claims that it helped to defeat 29 anti-hunting MPs, including Peter Bradley in The Wrekin. Thus, while the swing against Labour in rural constituencies in 2005 was less than the national swing, this time it did lose a number of seats to the Conservatives (see Table 9.5). As an expression of identity politics, the rural movement is too thinly spread and too politically concentrated to be reflected in voting patterns, yet its activists are a resource that can be targeted to have a political impact.

Table 9.5: The Labour vote in selected rural constituencies at the 2005 general election

Constituency type (number of seats)	Labour vote 2005	Change 2001–05	Swing Lab–Con	Labour seats	Change 2001–05
Hunt kennels in seat (159)	26.3%	-4.2	+2.4	40	-8
Three or more hunt kennels in seat (34)	20.4%	-2.9	+2.1	2	-4
Top 20 farming seats (20)	20.2%	-1.2	+0.7	2	=
Partially rural seats on ACORN classification (60) – England and Wales only	22.1%	-3.6	+1.8	5	-5
All GB constituencies (628)	36.2%	-5.8	+3.2	356	-56

Source: original author analysis

Future trends in rural politics

The introduction of the hunting ban in February 2005 marked the end of a chapter in rural politics, but not the end of countryside protests. Hunt supporters insist that hunting remains a live issue, and are determined to test the effectiveness of the ban and to campaign for its repeal. Agriculture is

also likely to continue to generate protests, particularly as reform of the Common Agricultural Policy is advanced. However, these are not issues that are likely to attract the mass demonstrations witnessed in the last decade. For the rural movement to continue to have an impact in mainstream politics, it needs to build coalitions with other campaigners. There are a number of issues that could provide the focus for such coalitions, including:

- *Rural services*: Campaigns against the closure of rural services such as schools and post offices unite diverse coalitions in rural communities, but are generally contained at a local level. Systematic threats to rural services, such as restructuring of the postal service, could provide a trigger for nationwide protests.
- *Major developments*: Farmers, middle-class rural residents and environmental campaigners combined to oppose new roads in the 1980s and 1990s. More recent attempts to mobilise opposition to windfarms have not generated the same alliances, as opinion is split within rural communities and among environmentalists, but any future programme for new nuclear power stations in rural areas could provoke a broad-based national campaign.
- *Globalisation, trade and food issues*: Farm protests in Britain have generally been insular in their focus and, unlike protest groups in Europe and North America, have not connected the problems of agriculture with globalisation. These connections are now being explored by groups such as the Small Farms Alliance and the Family Farmers Association (which is a member of the international farmers' network, Via Campesina). Greater recognition of the context of British agriculture within globalisation could lead to alliances with global justice and environmental campaigners; supermarkets could provide a focus for such campaigns. Farmers for Action has persistently targeted supermarkets, which have more recently become the focus of campaigns by the NFU and the Countryside Alliance, as well as by environmental groups, including Friends of the Earth.

The forging of these alliances may, however, require an adjustment on the part of the rural lobby, which has generally been perceived to be defensive rather than progressive in its outlook. Indeed, the defensive positioning of the rural lobby also has implications for the decentralisation of power in the countryside. If empowering rural communities means empowering motivated rural activists who are intent on protecting a perceived 'traditional' rural way of life and resisting change, then the capacity for rural community governance to seriously address social problems in the countryside will be severely restricted. A more constructive engagement by the

rural lobby with the realities and opportunities of change in the countryside is required if the empowerment of rural communities is to be meaningful.

Conclusion: towards a progressive rural politics

The challenge for a progressive rural politics is to develop a necessarily territorial strategy for rural governance that recognises the diversity of the contemporary countryside, while also respecting the importance to many individuals of a rural identity rooted in a traditional way of life. The re-description of rural Britain embarked on by the Labour Government after its election in 1997 was a significant step in this direction, but became derailed by the land-focused agenda of the post-Haskins reforms and by its failure to understand the identity politics of the rural protesters. Similarly, the commendable efforts to help rural communities build the capacity to govern themselves has been compromised by the lack of resources, normative expectations as to how communities should act, and the limited ability of communities to really engage with the processes affecting them.

Decentralising power

There are a number of practical policy steps that can be taken by government departments and agencies to nurture the development of a progressive rural politics. First, there should be continuing decentralisation of power within the countryside. This includes increasing, as appropriate, the powers and responsibilities of regional authorities and existing local authorities such as district and county councils, but particularly the empowerment of local communities. The Government's Neighbourhoods agenda is heading in this direction but needs to be carefully examined in respect to its operation in rural areas – the term 'neighbourhood', for instance, is practically meaningless in a dispersed rural community. Local communities also need to be given the resources to respond to local need, and a resurrection of the Vital Villages programme in some form would help with this.

Democratic accountability

Second, the decentralisation of governance should be based on the principle of democratic accountability. Parish and town councils should be the primary vehicles for community empowerment, but also need to address their own democratic deficits. The Quality Parish and Town Councils Scheme is one way of approaching this issue, but participation in the scheme needs to be significantly expanded and it cannot be the only means of promoting more democratic engagement. The centralised funding of elections to parish and town councils through a ring-fenced 'local democracy fund' would remove some of the disincentives for smaller councils to encourage prospective candidates. More radically, electoral law could be

changed to require all new councillors to be approved by the electorate, whether or not there are more candidates nominated than seats available, thus recognising that contested elections are not the only indicator of democratic legitimacy.

Broadened participation

Third, democratic accountability should go hand in hand with broadened participation. Rural local government at all tiers must be prepared to engage more extensively with the community through various participatory methods and not rely on the councillor as the sole conduit of representation. Specific mechanisms may be required to ensure that marginalised groups within communities are included in the governance process, but breadth of representation should not be confused with depth of representation.

Equality between communities

Fourth, while localism inevitably produces variation in policies and outcomes, it should not extenuate inequality between communities. Government should actively help communities that are less well placed to take on new responsibilities, for example, by introducing training programmes for rural community leaders on the American and Australian models (see, for example, Richardson 2000).

The importance of social concerns

Fifth, economic and land-management interests should not be allowed to outweigh social concerns in rural governance. The role of the Commission for Rural Communities should be supported and expanded, with the Commission empowered to examine the impact on rural communities of decision making by private-sector corporations and service providers, including utilities and supermarkets. There also needs to be recognition of the particular social concerns of the 'traditional' rural community, whose disaffection has fuelled rural protests. Any future reform of agricultural policy needs to be particularly sensitive to the social fabric of this community.

A clear vision

Finally, if progressive politics is to counter the defensiveness of the rural lobby and to seize the opportunity of community empowerment to create a more inclusive and egalitarian countryside, then it needs to articulate a clear vision for the countryside it wants to build. As rural Britain comes to terms with the challenges of social and economic change, of shifting urban–rural interconnections and of globalisation, there is a need for a public debate on the future of the countryside that has an ambition equal to that of the 'urban renaissance' agenda, and that can unite rather than divide in setting out a programme for rural governance in the twenty-first century.

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