



‘Local’ as centres of rural growth and development

Roger Turner

Head of Rural Economies

Commission for Rural Communities



'Local' as centres of rural growth

- CRC's Business Card
- Recession in rural England
- Challenges of small economies - International and rural England
- Economic wellbeing - drivers of local recovery?



CRC's business card

- Part of government, but apart
- Established by statute to Advise, Advocate, Watch and report on rural in policy development and delivery
- Chairman and Rural Advocate. Commissioners, CEO and 4 Directors, 60 staff, £6.4 million ann. budget
- Policy teams – Rural Economies, Rural Governance, Rural Services, Rural Places
- Rural Financial Inclusion 'champion', manage RDPE network, Strategic and Analysis work respected as rural data source



Recession, response, recovery

Recession impacts in rural England :

- Closure/downsizing of small and large businesses in all sectors
- Cumulative impact of shop closures in market towns
- Closure of village shops and pubs
- Rapid & substantial rise in Job Seekers Allowance claimants
- Low number of unfilled vacancies
- Tightening credit conditions for businesses reliant on mortgage lending, overdrafts & credit card borrowing and difficulty in securing bank funds
- Increase in affordable housing gap – fewer constructed, less uptake of shared ownership, more difficult to finance.
- BUT also some good stories having difficulty of being heard
- Does this match your experience?



recession, Response, recovery

- CRC gathers and reports Intelligence on rural recession impacts
 - Monthly reports to Secretary of State for Environment, Food and Rural Affairs for National Economic Council
 - Reports address: Rural labour markets, business performance, housing and consumer effects
 - Work with, BERR, RDAs to strengthen rural in Regional Intelligence reports and share with other Departments
 - Sources: submissions, data, local and business media
 - Encourage debate and recommendations for action
 - Confusion of measures from national to local agencies
-
- How do you report rural recession intelligence?



Routes to recession or recovery?

Small economies seek to expand the market place:

- Export goods and services
- Earn foreign investment, wealth or assets
- Create new forms of investment and trading alliances
- Raise productivity and create competitive advantage
- Attract visitors, workers or residents



Island economies – routes to growth

Singapore

- Highly educated residents
- Invest in high tech, knowledge economy
- Export goods and services

- Substantial reversal of growth
- Devaluation of currency

Iceland

- Invest in overseas assets
- Attract foreign wealth and income
- Export expertise

- Substantial collapse of banks and assets
- Change of government

British Isles

- Attract foreign investment and wealth
- Trade in overseas assets
- Export financial services and goods
- Invest in people
- Attract new residents and visitors

- Substantial debts and reversal of growth



England's rural economies – routes to growth

- In 2006 GVA of most rural areas = GVA of all cities outside of London
- Rural firms more likely (than urban firms) to sell to national or international markets
- Wealth creators swelled by migrant workers and in-migrating entrepreneurs
- Consumers swelled by visitors
- Residents more highly educated and trained
- Substantial business assets controlled or directed from outside rural areas



England's rural economies – routes to growth

But.....

- Greater proportion of employees on low wages – in-work poverty
- Young people leave or lower aspirations to match reality of rural jobs and housing
- Low affordability for houses for many
- Employment choice boosted by commuting
- Higher rates of 'economically inactive' than formal unemployment
- Sustainability of growth is questionable



recession, response, Recovery

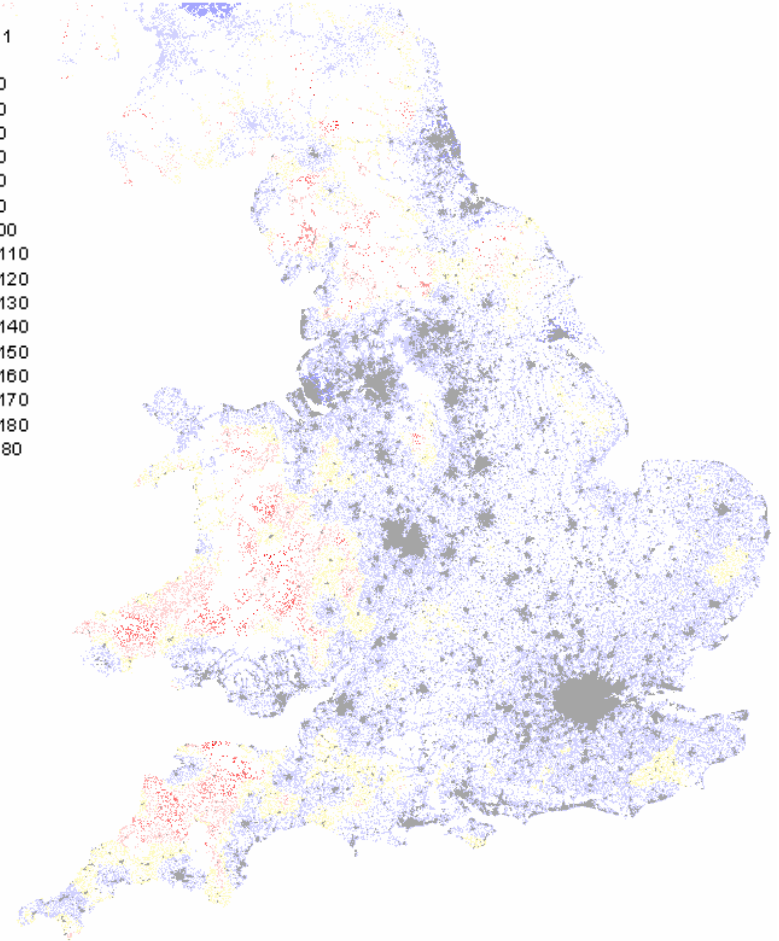
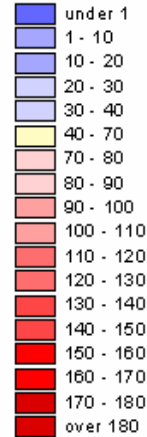
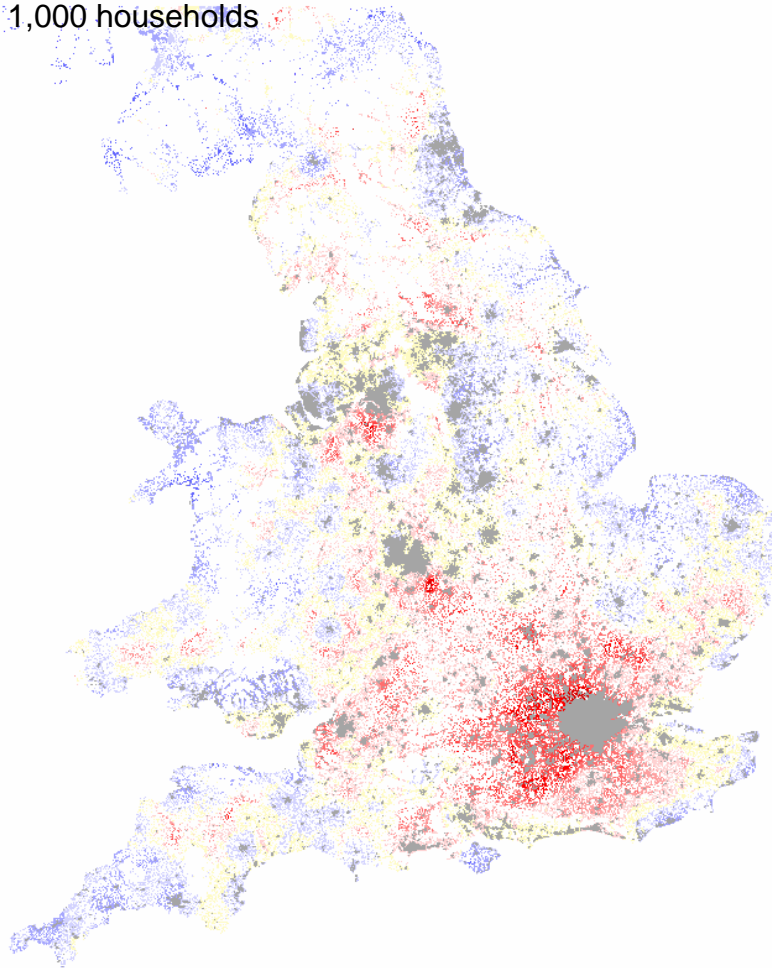
Economic Well-being - a change of direction?

- Economic policies designed for Growth and productivity
- Local Government Act 2000 gave economic, social and environmental well-being powers to local authorities
- Increasing devolution of economic agenda to local authorities
- Lower experience of mainstream economic interventions, but poor use and confidence with wellbeing powers
- Good practice in rural communities and local indicators?



Drivers of rural economic wellbeing - Home businesses

Home-based limited liability companies (10km)
per 1,000 households



Commission for
Rural Communities

Tackling rural disadvantage

Partnerships and sole traders (10km)per 1,000 households

Source: Peter Bibby, University of Sheffield



Drivers of rural economic wellbeing – local food!





Drivers of rural economic wellbeing – dark skies!





Drivers of rural economic wellbeing

– community enterprises

- www.blueskyuk.com/content/crckielder.htm
- **Show dvd of Kielder Regeneration**



'Local' as centres for rural economic growth.....or wellbeing!

- Small economies are challenged to grow
- Routes to growth have created an imbalance between externally driven or derived income and wealth and local dependencies and markets
- Economic wellbeing may offer better framework than productivity driven growth
- Local has more to offer for residents, rural and national economies!



Thank you for your attention.

roger.turner@ruralcommunities.gov.uk

01242 534068