

Bulletin

Institute for Employment Research

EMPLOYMENT CONSTRAINTS AND OPPORTUNITIES IN RURAL AREAS

Introduction

In recent decades many rural areas have gained population through in-migration, and there has been a general trend for the decentralisation of employment from urban to more rural areas. It has been estimated that rural areas generate nearly a third of the UK's GDP; they are an increasingly important component in the national economy.

This *Bulletin* outlines some of the results from a recent research project on socio-economic circumstances in rural areas, focusing on employment constraints and opportunities faced by in-migrants to selected rural areas in the East Midlands.¹

Defining rural areas

It is difficult to say what constitutes 'urban' or 'rural', and so it is not straightforward to define rural areas. Three main approaches have been taken in identifying rural areas in Great Britain – on the basis of:

- physical development
- social and economic characteristics related to 'rurality'
- individual perceptions and understanding of 'rurality'.

Using a range of information from the 1991 Census of Population relating to population density, age structure, economic activity and employment structure, car ownership and housing type as classificatory variables in a cluster analysis, classifications of areas into urban and rural types have been developed for:

- 10,529 electoral wards in England and Wales and pseudo-postcode sectors in Scotland
- 459 local authority districts in Great Britain

for use with data relating to different levels of spatial disaggregation. Figure 1 shows the six-fold classification of wards into *Rural*, *Inner City*, *Metropolitan*, *Affluent Suburb*, *Retirement Areas* and *Small Town* clusters. Overall, 2,400 out of 10,527 wards were identified as *Rural*. The local authority district classification – in which *Poor Urban*, *Semi-Rural*, *Metropolitan*, *Rural*, *Retirement Areas* and *Commuter Towns* are identified – is shown in Figure 2.

Population and migration trends

Examination of population trends at the local authority district level since 1981 reveals a steady decline in population in *Poor Urban* districts, and fastest rates of growth in the *Commuter Towns* and *Semi-Rural* districts. Most *Rural* districts experienced modest rates of employment increase in the 1980s and the 1990s.

Analysis of Census of Population data on migration between 1990 and 1991 at the ward level reveals that rates of gross in- and out-migration were lower in the *Rural* areas than in *Retirement Areas*, *Metropolitan Areas* and *Small Towns*. However, the *Rural* areas gained population by net migration faster than the *Retirement Areas* and *Small Towns*. The *Inner City* and *Metropolitan Areas* lost population through net migration.

Why move to rural areas? – the 'rural idyll'

Migration is often prompted by a variety of motives. Interviews undertaken with in-migrant households to rural areas in part of the East Midlands provide some insights into reasons for moving. Usually a *main* reason for a move may be distinguished from *other* reasons. This is not to say that other reasons for moves are unimportant; rather that they are not of *primary* importance.

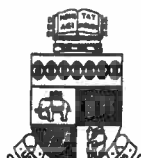


Figure 1: The ward-level classification

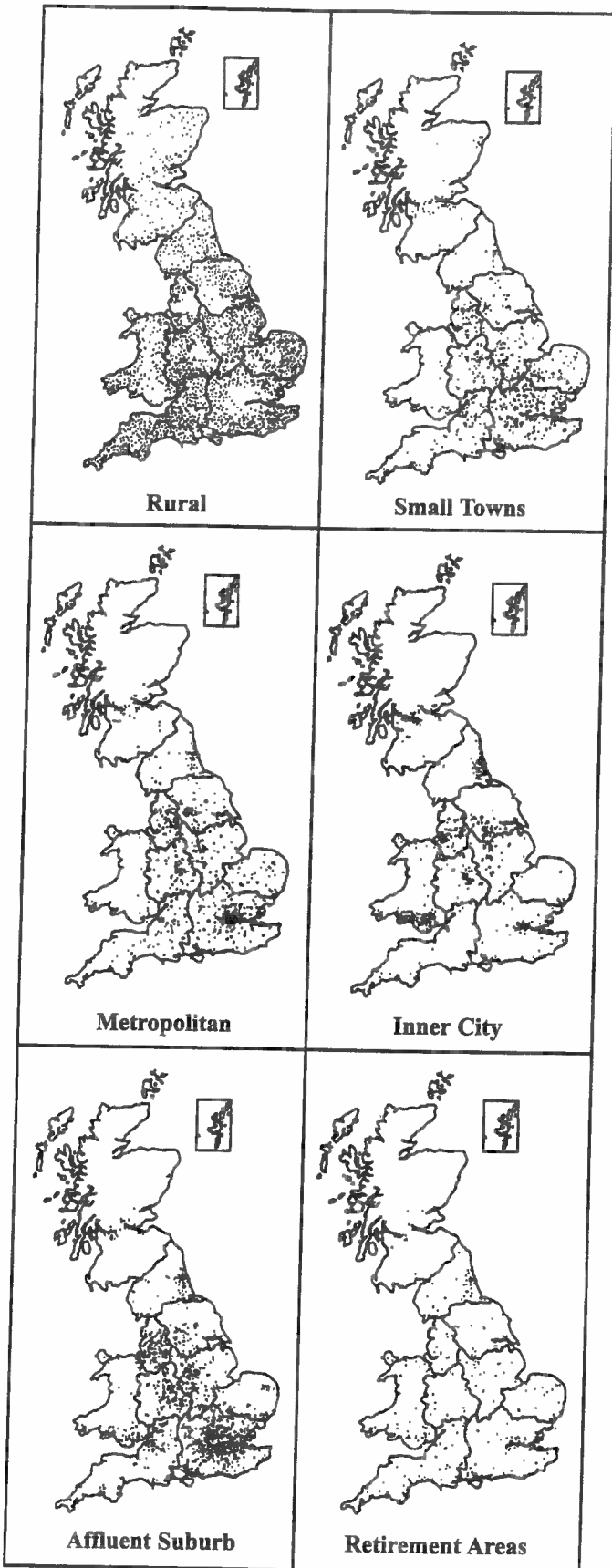
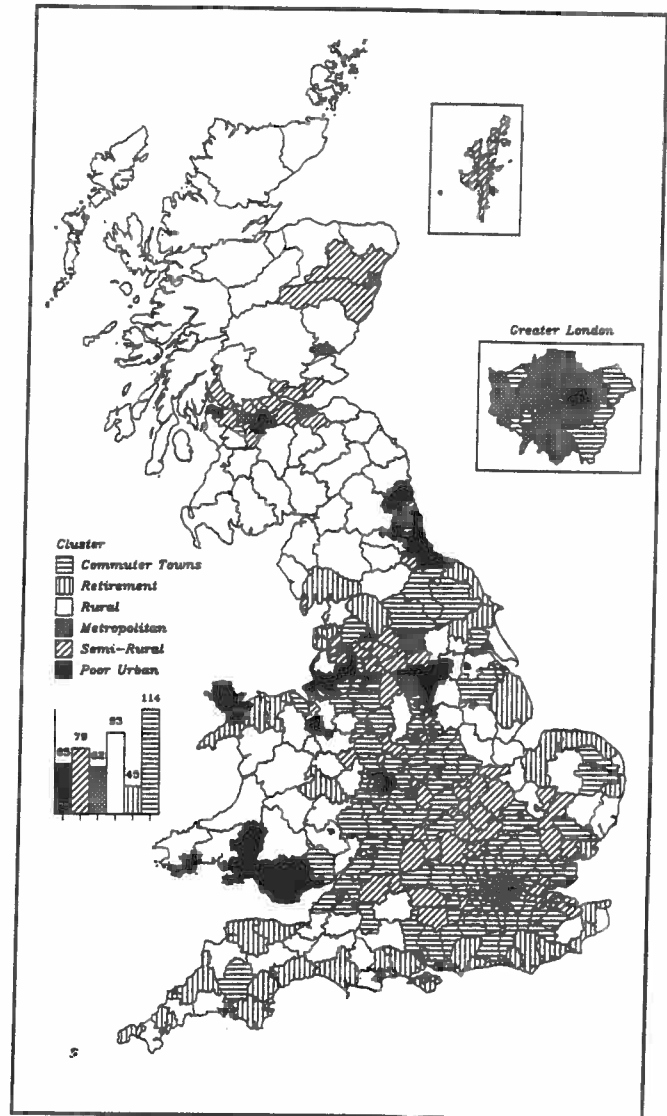


Figure 2: The district-level classification



In presenting the results of the motivations for migrations a distinction is made between:

- the more *accessible* rural areas of north Northamptonshire, south and east Leicestershire and south-west Lincolnshire – on the fringes of the 'Greater South East' and with relatively good communications links to major urban centres such as Nottingham, Leicester, and Northampton; and
- the more *inaccessible* rural areas of central and eastern Lincolnshire – characterised by lower house prices and less well developed physical communications links.

The majority of moves to the accessible rural areas were primarily *employment-related*, i.e. the household moved in order that one (or more) members could take up a job within commuting distance, and involved mainly migrants in

managerial, professional and associate professional occupations. By contrast, the majority of moves to the more inaccessible rural areas were *housing-related* or were prompted by a *desire for a rural life*. These in-migrants to inaccessible areas were more diverse in socio-economic terms.

Once *other* reasons, as well as main reasons, prompting a move are considered it is evident that over 80 per cent of households interviewed highlighted the *desire to live in the country* as one of the reasons underlying migration to a rural area. The term the '*rural idyll*' is often used to describe the positive images surrounding many aspects of the rural lifestyle. Analysis of the texts of interviews with rural in-migrants showed that living in the country tended to be (although was not unanimously) associated with such positive attributes – notably 'relaxation', 'tradition', 'healthiness', 'safety', 'nature', 'community', 'simplicity' and 'high status'.

Labour market trends in rural areas

- *Many features in commons with national trends*

Rural areas share many features in common with national labour market trends. There is a continuing decline in employment in agriculture, while the number of jobs in service industries has increased. Employment opportunities in high level non-manual occupations have expanded, and part-time working has grown at the expense of full-time jobs.

- *Rural areas in the vanguard of labour market developments*

Some of the key features of the rural labour market include:

- ◇ greater than average employment growth
- ◇ greater than average rates of in-migration – with the in-migrants as a source of new skills
- ◇ lower than average rates of unemployment and a lower than average incidence of long-term unemployment (although it is acknowledged that there are variations between rural areas)
- ◇ large proportion of small firms
- ◇ higher than average levels of self-employment
- ◇ a greater than average proportion of women in part-time jobs.

On the basis of these key features rural areas may be considered as economically vibrant – in the 'vanguard' of labour market developments.

- *Behind the favourable statistics*

However, these relatively favourable statistics may disguise a less rosy reality. For instance, some rural areas are also characterised by:

- ◇ seasonal / casual employment structures
- ◇ low wages
- ◇ a high proportion of jobs in the secondary labour market
- ◇ a limited range of employment opportunities
- ◇ problems of mobility and accessibility.

Moreover, it has been suggested that there may be a specific 'rural dimension' that exacerbates constraints on labour market participation.²

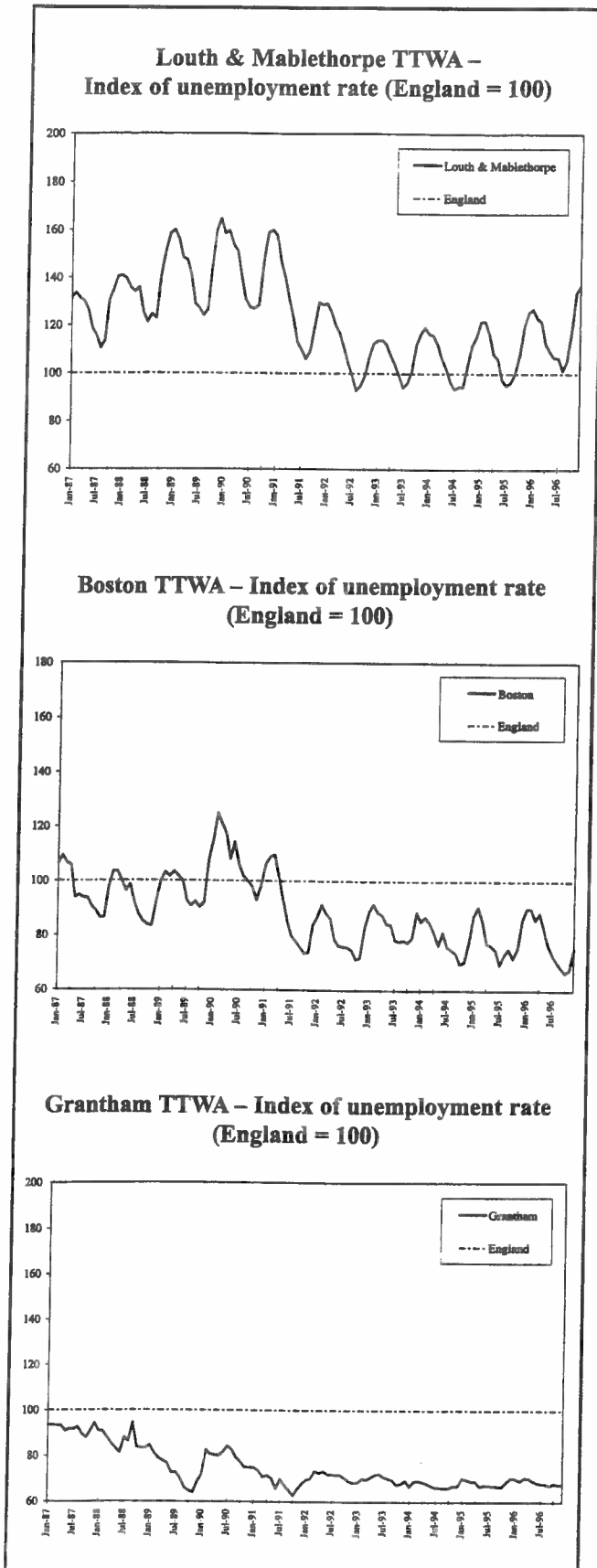
Seasonal (un)employment

Geographical analyses of unemployment in Britain have tended to highlight concentrations of unemployment and long-term unemployment in the largest urban areas. By contrast, in many rural areas the annual average incidence of unemployment is lower than average. However, use of the annual average unemployment rate or a 'snapshot' of unemployment in say, April, disguises the marked *seasonality* of unemployment in many rural areas.

Both the seasonality of unemployment rates, and the variation in the incidence of unemployment between rural areas is illustrated in Figure 3, which shows the unemployment rates for three Travel-to-Work Areas in Lincolnshire – indexed to the unemployment rate for England – over the period from 1987 to 1996. The incidence of unemployment in the Louth & Mablethorpe TTWA is consistently higher than the national average, and seasonal variations in unemployment – with a much higher incidence of unemployment in the winter than in the summer – is particularly marked. Pronounced seasonality in unemployment is also evident in the Boston TTWA, although from 1991 onwards the unemployment rate was lower than across England as a whole. In the Grantham TTWA the unemployment rate is below the England average throughout the period.

The graphs presented in Figure 3 are based on the claimant unemployment count. Previous research has suggested that hidden unemployment and under-employment are more serious problems in rural areas than elsewhere. This suggests that reliance solely on the conventional unemployment rate as an indicator of the socio-economic health of rural areas may provide only a partial (and unduly favourable) picture.

Figure 3: Local unemployment rates



Low wages

Agricultural wages have historically been low. From the case study research in the rural areas of the East Midlands it emerged that many in-migrants (particularly those from the South East) considered local wage levels “really low” – commenting that “they pay agricultural wages still”. The relatively high propensity of part-time working may also help to explain the relatively low wage levels, and problems of low wages are likely to be further exacerbated by a greater than average prevalence of casual and seasonal working.

Evidence from the New Earnings Survey underlines these points about the low wages in rural areas. In Box 1 local authority districts in England with average gross weekly earnings in April 1996 in excess of £400 are listed, alongside those with gross average weekly earnings less than £300. The districts with the highest average earnings are located exclusively in London and adjacent areas in the Rest of the South East, while those districts displaying the lowest average earnings are overwhelmingly either ‘rural’ in character, resorts or older industrial areas. (Information on gross average weekly earnings is not available for the smallest local authority districts, so the picture displayed in Box 1 probably understates the incidence of low wages in rural areas.)

Box 1: Gross average earnings (per week) by local authority district – England, April 1996

gross average earnings > £400

City of London, Camden, Ealing, Hackney, Hammersmith, Hillingdon, Islington, Kingston upon Thames, Lambeth, Richmond upon Thames, Southwark, Tower Hamlets, Wandsworth, Westminster (Greater London); Bracknell, Crawley, Dacorum, Guildford, Hertsmere, Reigate & Banstead, Spelthorne, Surrey Heath, Thurrock, Windsor & Maidenhead, Wokingham, Wycombe (Rest of South East).

gross average earnings < £300

Hove, Thanet (Rest of South East); Breckland, Broadland, Forest Heath, North Norfolk, Waveney (East Anglia); Carrick, East Devon, Kingswood, Restormel, Sedgemoor, South Hams, Teignbridge, Torbay, West Dorset (South West); Malvern Hills (West Midlands); Bolsover, Broxtowe, East Lindsey, Mansfield, North Kesteven, Hinckley & Bosworth, West Derbyshire, West Lindsey (East Midlands); Barnsley, Doncaster, Harrogate, Rotherham, Ryedale (Yorkshire & Humberside); Blackpool, Hyndburn, Oldham (North West); Blyth Valley, Easington (Northern).

Wages levels between areas may differ for a variety of reasons – including the industrial and occupational structure of employment, the qualifications held by workers, the distribution of employment between the public and private sector, etc. It is possible to ‘control’ for these reasons and generate *standardised spatial wage differentials (SSWDs)*.³

The counties with the lowest SSWD values are Cornwall, Shropshire and Lincolnshire, all of which are predominantly ‘rural’ in character.

Limited range of employment opportunities

In rural areas the range of employment opportunities tends to be limited not only in terms of the *number* of jobs available within a given area, but also in terms of the *quality* of employment opportunities available. The research undertaken in the rural areas of the East Midlands echoed the findings of previous research in rural areas – a high proportion of the jobs available in rural areas comprise semi-skilled low paid jobs in the secondary labour market. The number of ‘career’ jobs in the primary labour market is limited, and rates of turnover in such jobs tend to be low.

The limited range of employment opportunities available tends to pose particular problems for those made redundant in specialist areas. Also for young people there is often a sense of having to ‘get out’ of rural areas to ‘get on’ in the labour market – in order to take advantage of the greater range of employment opportunities in large urban centres. Out-migration of young adults (from both in-migrant and other households) remains a characteristic feature of many rural areas. However, many young people interviewed envisaged returning to rural areas later in life.

Accessibility and employment

Car ownership levels tend to be higher in rural areas than in urban areas. This reflects the importance of having access to a car in order for most rural residents to get to work, due to a lack of public transport altogether, or to a lack of reliable public transport services at the requisite times of day for travelling to and from work.

The research on in-migrants to rural areas in the East Midlands revealed that many households considered one – or often two cars – a ‘necessity’. Interestingly, many in-

migrant households specifically sought accessible rural locations – within relatively easy reach of major roads and with access to several large towns – in order to maximise potential employment opportunities for all household members.

Conclusions

The available statistics on demographic change and economic circumstances paint a relatively rosy picture of the rural labour market. However, rural areas are often characterised by a *limited range of employment opportunities* – both qualitatively and quantitatively. The results of a survey of in-migrants to rural areas in selected parts of the East Midlands indicated that unless prepared to travel-to-work relatively long distances, many in-migrants to rural areas faced employment constraints. In order to gain employment a substantial proportion had to ‘trade down’ (by taking jobs at lower skill levels) and ‘make do’ (from the limited range of jobs available). A rural location emerged as a ‘disadvantage’ in labour market terms for some sub-groups of the population – notably young people and women, but in many in-migrant households this ‘disadvantage’ was traded-off against other perceived advantages of rural living.

Notes

- 1 This Bulletin summarises some of the results from a research project funded by the ESRC (Award No: R000236072), undertaken by Anne Green at the Institute for Employment Research, David Owen (also University of Warwick), Irene Hardill, Anna Dudleston and Stephen Munn (the Nottingham Trent University). Work undertaken by all members of the research team is drawn on in this *Bulletin*. For details of project working papers, contact the research team.
- 2 For further discussion of this point see: Monk, S. and Hodge, I. (1995) ‘Labour markets and employment opportunities in rural Britain’, *Sociologica Ruralis* 35(2), 153-72.
- 3 For further discussion of the calculation of standardised spatial wage differentials see: Wilson, R.A. *et al.* (1996) *Labour Market Forces and NHS Provider Costs: Final Report*. Coventry: IER, University of Warwick.

The full results of the Institute's latest assessment, including detailed tabulations and graphics, can be found in the

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