

Socio Economic Consequences of Brexit

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I think nobody should be certain
of anything.

If you're certain, you're certainly
wrong because nothing deserves
certainty.

Bertrand Russell

Outline

1. The Rural of the Mind...
2. Is there a distinctive *rural economy*?
3. How sustainable are *rural communities*?
4. European/English *rural policy*
5. Brexit, Post Brexit - where next?



1. The Rural of the Mind

A living working countryside...

- According to ONS, 20% of England's population is rural.
- Using the OECD definition, about 10% of England's population is considered rural.

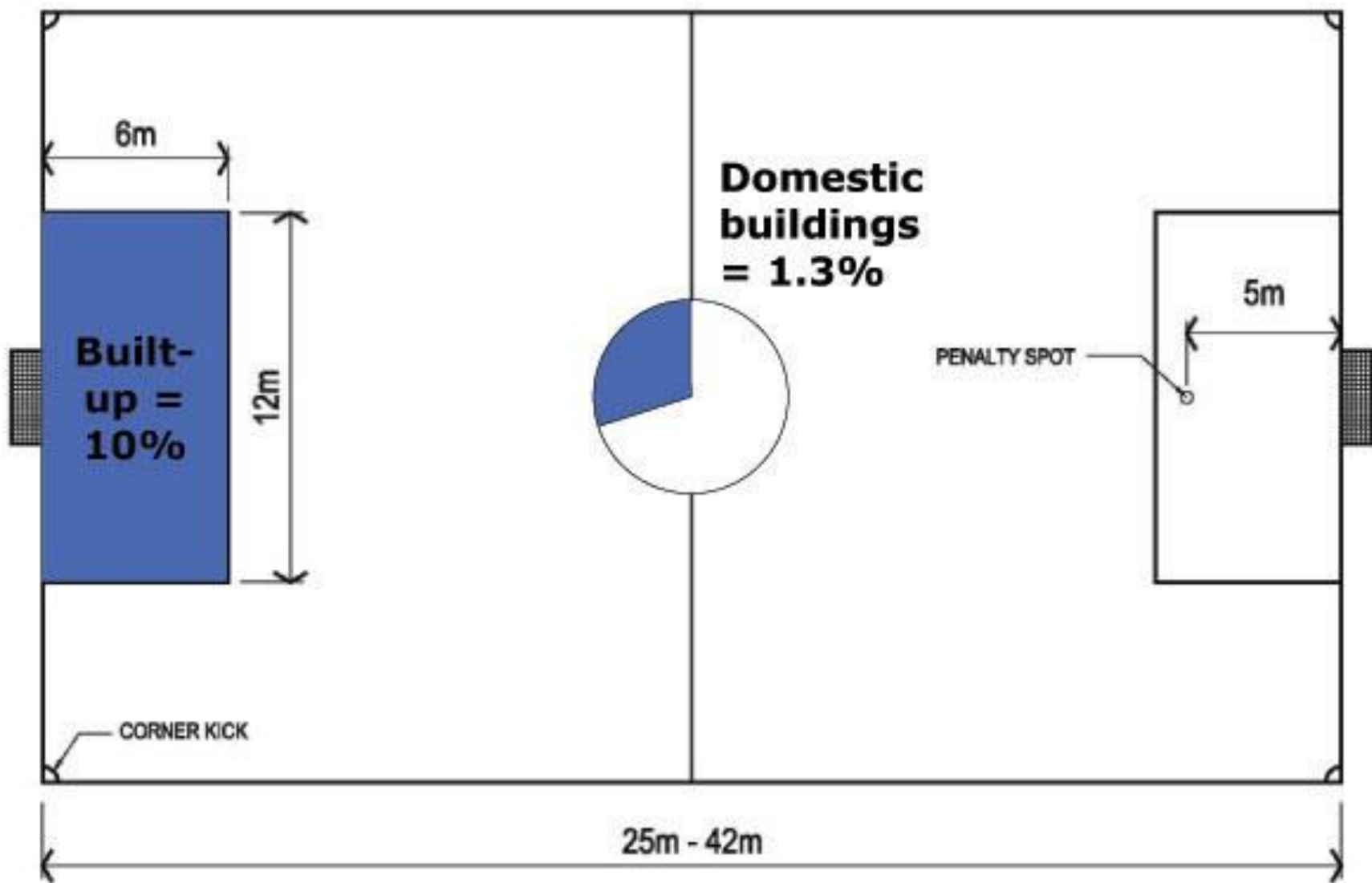
= Is rural just a spatial concept?

= Why do we cherish green-space so much?

- Is it because we have a 'cottage garden' view of rurality?
And/or because we are urban focused in our habits and lifestyles?

= What does this mean for rural policy? Do we think of rural as pretty but marginal?

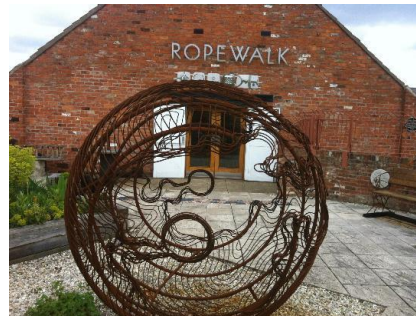




2. Is there a *distinctive rural economy*?

- Rural dwellers make a significant contribution to urban productivity through commuting to work in towns and cities.
- Using workplace wage calculations, wages in rural England are 14% lower than in urban England.
- Rural England is proportionately more dependent on public sector jobs than urban England. E.g. Oxfordshire has more public sector jobs than Manchester.
- Rural England represents approximately 27% of England's enterprises; 22% of employment, but only 19% of the country's Gross Value Added.

= Rural has more commuting, lower wages, more public sector jobs, more businesses and more of an informal economy than urban.



3. How sustainable are *rural* Communities ?



Well Run: a lack of engagement in local governance?

Well Connected: the additional cost of providing physical and virtual infrastructure (e.g. public transport, broadband/mobile connectivity).

Well Served – rural dwellers have to travel further to access education, employment, health and retail etc.

Environmentally Sensitive – greater distance from service centres leads rural dwellers to make more car journeys per head and have a bigger overall carbon footprint.

Thriving – due to high house prices and low workforce densities, a living working countryside in many places is broken.

Well Designed and Built – the planning system (with its settlement hierarchies, housing exception criteria) rules out development which would help rural settlements that want to grow.

Fair for Everyone – fewer opportunities for young people (i.e., lack of affordable housing, limited employment opportunities, poor public transport, few leisure options) and older people (i.e., shortage of local health and care provision).

Active, Inclusive and Safe – many rural settlements have skewed demography towards affluent people. Some rural settlements are no longer viable places for all individuals to live in leading to a lack of social integration. Some rural settlements now have no children living in them.



4. European/UK *Rural* Policy

Europe

Common Strategic Framework: there are 118 different rural development programmes (RDP) in 28 Member States 2014-2020, with each country receiving a financial allocation from the European Agricultural Fund for Rural Development (EAFRD). Additional support for rural areas is available from the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund.

Priority: promoting social inclusion, poverty reduction and economic development in rural areas = *invisible poverty, access to services and employment initiatives.*



England

Defra Single departmental plan: *A thriving rural economy, contributing to national prosperity and wellbeing* (e.g. access to the same technology as those in cities, strong voice to countryside issues across Government, completing the coastal path by 2020).

- **10-point plan for boosting productivity in rural areas (August 2015)** – connectivity, skills, business growth, easier to live and work in rural areas and greater local control = strengthening productivity, through (i) long term investment in infrastructure, skills and knowledge; and (ii) promoting a dynamic economy that encourages innovation.
- **Rural proofing** – Independent Rural Proofing Implementation Review (Lord Cameron of Dillington, January 2015), practical guidance for Government (March 2017) = ensuring fair and equitable policy outcomes.
- Rural **Housing** Policy Review (Lord Richard Best, February 2015) and Rural **Planning** Review consultation (February 2017).

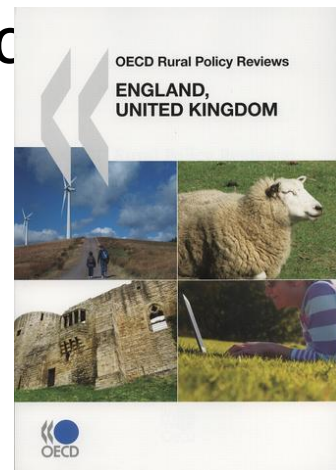


- **EFRA Select Committee Inquiry** into the role of tourism in supporting rural growth – seasonal employment, broadband access and transport connections.
- **Infrastructure:** National Infrastructure Commission – mobile technology deployment models in rural areas and national infrastructure assessment.
- **Industrial Strategy** Green Paper (January 2017) - a critical part of Government's plan for post-Brexit Britain. Describes rural areas as lagging behind their urban counterparts in setting out new opportunities for the rollout of fast broadband in rural areas: enabling new businesses to locate and grow there , bringing well paid jobs and closing the productivity gap.



OECD

- **Rural Policy Review: England (January 2011)** - *‘New Rural Paradigm’*: a focus on places rather than sectors, and on investment rather than subsidy. Found principles of NRP in evidence but some rural areas were struggling with pockets of poverty, difficulty maintaining access to public services and lack of affordable housing = clarifying rural proofing and joining up housing, planning and economic development.



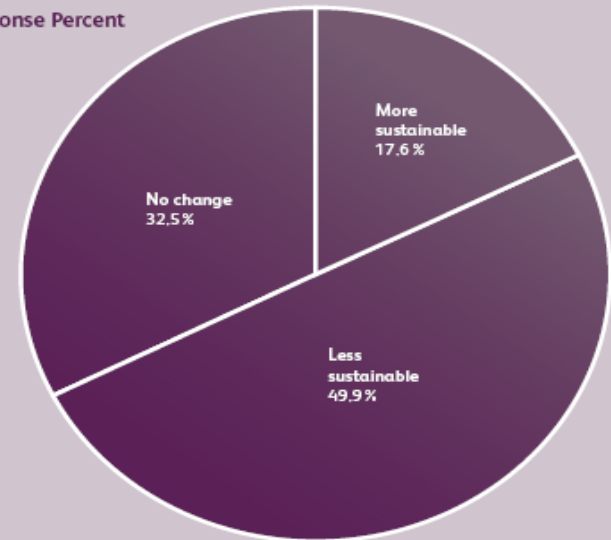
Some rural challenges...

Since 2008 things have changed for good; making it much harder to:

- Own your home.
- Grow up and find a job where you live.
- Keep warm.
- Access local services delivered by real people.
- Live there past 85.

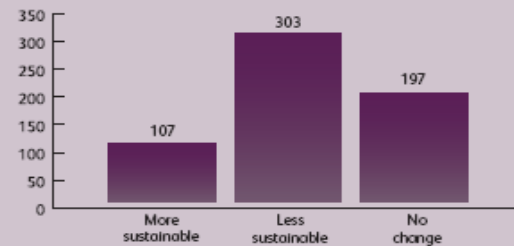
DO YOU THINK RURAL COMMUNITIES ARE LIKELY OVERALL TO BECOME MORE OR LESS SUSTAINABLE OVER THE NEXT YEAR?

Response Percent



Response Count

607 answered question
333 commented on the reasons for their answer



5. Brexit, post-Brexit, where next?

- YouGov poll (2011): 62% of respondents agreed with the proposition - 'Britain has changed in recent times beyond recognition, it sometimes feels like a foreign country and this makes me uncomfortable.'
- Referendum (23 June 2016): Wandsworth, Richmond upon Thames, and Cambridge (where around half of the population has a higher education qualification) voted to remain. Just 14.2% have an equivalent qualification in the Norfolk seaside town of Great Yarmouth, which delivered one of the biggest leave votes at 71.5%.

= Somewheres are rooted in a specific place. Anywheres are footloose.

FT Extracts

- “The uplands, higher areas that are unsuited to cropping, are generally grazed by sheep and cattle but with the EU currently importing around 40 per cent of UK lamb, any tariffs that are imposed could have disastrous consequences for these farmers.”
- “The South Yorkshire Pensions Authority currently owns 15,500 acres of Grade 1 arable land with the bulk of it in parts of Cambridgeshire and Norfolk. Property manager John Hattersley describes it as “one of — if not the — finest quality portfolios of land in the UK” and admits that the uncertainty over Brexit is “affecting both land values and agribusiness profitability”.

Economy

Inflation is being driven by commodity prices

The ONS said the number of people employed had fallen by 14,000 in the three months to September to just over 32 million.

While the number of people in work was still up by 279,000 on a year ago, the ONS said it was the first fall since the slight reduction in the quarter ending in October 2016 and the biggest drop since the April to June period of 2015. The employment rate was cut from 75.1% to 75%.

The economic impact of Brexit

- A slow burn – some short term benefits from a perhaps long over due devaluation?
- We have had our cake and eaten it – until we leave the EU we will organise the financing of world trade through the City of London, and have the benefit of open access to a market of over 300 million people.
- Once we leave we'll just organise the financing of world trade or will we?

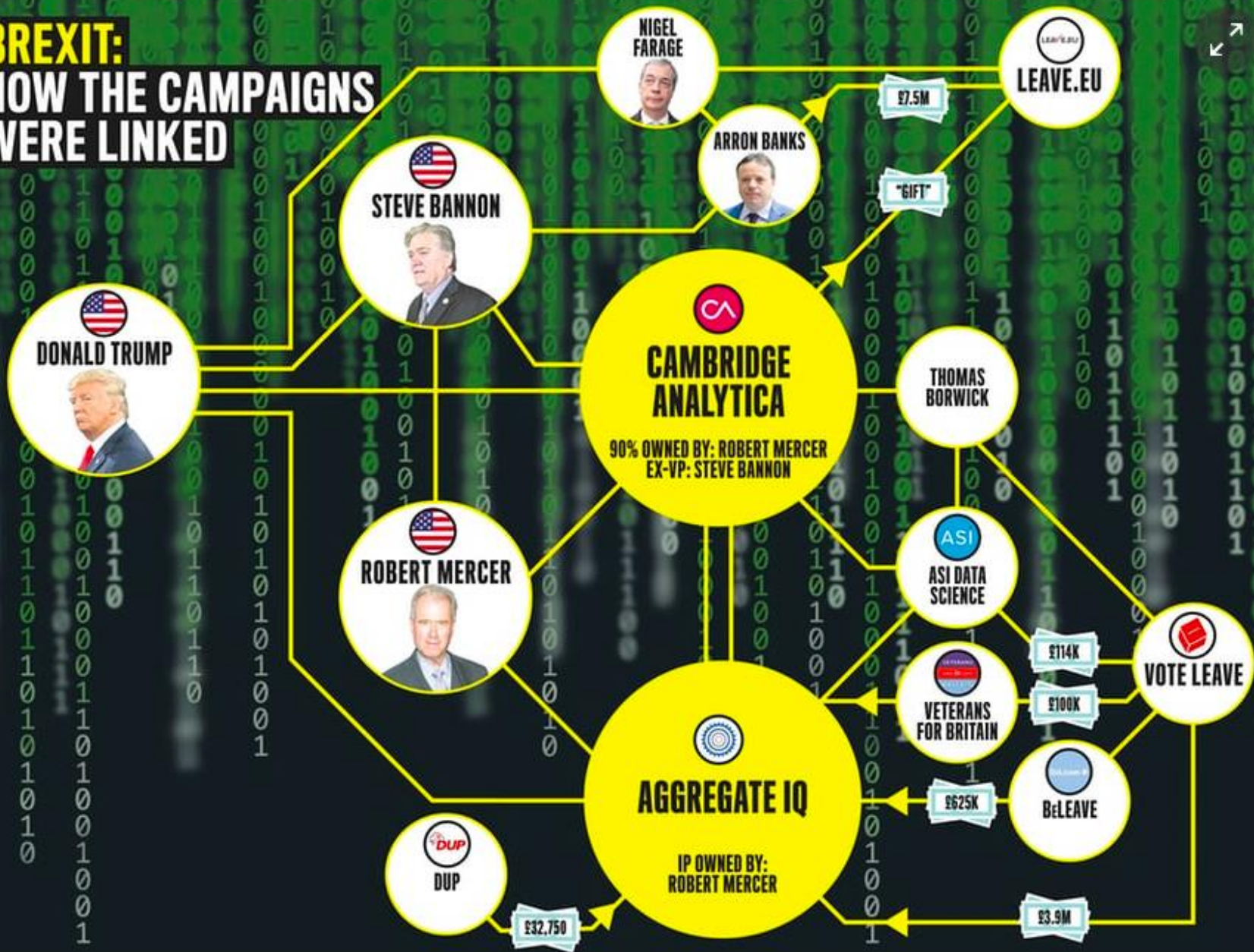
How much of this will impact on Rural England?

- Food prices will increase? Although not much of the benefit will trickle down to the rural communities where the food is actually grown.
- Fuel will get more expensive making it harder to keep warm and get around?
- The NHS will get more stretched and more urban - the number of EU nationals registering as nurses in England has dropped by 92% since the referendum (versus a large rural hospital in the US which has 100 beds).
- We will become economically less mobile?

= *But we'll probably manage OK...*



BREXIT: HOW THE CAMPAIGNS WERE LINKED



Resources & Contacts

Industrial Strategy

<https://www.gov.uk/government/consultations/building-our-industrial-strategy>

Rural Proofing

<https://www.gov.uk/government/publications/rural-proofing>

Rural Productivity Plan

<https://www.gov.uk/government/publications/towards-a-one-nation-economy-a-10-point-plan-for-boosting-rural-productivity>

Rural Planning Review

<https://www.gov.uk/government/consultations/rural-planning-review-call-for-evidence>

Rural Sovereign Wealth Fund

<http://www.rsonline.org.uk/images/files/Agribulletin-2032.pdf>

Rural Words <http://ruralwords.co.uk/>



<http://www.roseregeneration.co.uk/>

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