

## The Rural Economy in the West Midlands

The West Midlands Rural Affairs Forum (WMRAF) has a number of priorities for rural areas. The rural economy is one of them. In order that rural areas can reach their full potential, WMRAF believes there has to be a clear understanding of their character, the differences within them and the essential role they play in the economic life of the West Midlands. There is considerable interdependence between urban and rural areas and the growth of each depends on the success of the other. The population is increasingly mobile, urban areas need ecosystems services provided by rural areas such as water supplies or flood prevention, and rural areas need urban centres for trading and access to a range of goods and services.

### Why is the rural economy of the West Midlands important?

A third of the West Midlands population lives in rural areas and the population has been growing faster than the national rate. A third of the population is employed there and the rural economy contributes 33% to the Gross Value Added (GVA) in the West Midlands.

Overall employment levels and apparent affluence can mask pockets of disadvantage where household incomes may be low, job choice and job quality poor and housing unaffordable. Factors such as remoteness and poor transport provision exacerbate these problems.

In many parts of the West Midlands the rural economy is dominated by traditional sectors such as land-based and tourism industries where pay is low, work is often seasonal and skills are at a low level.

### What are the issues?

- There is a predominance of micro and smaller businesses (fewer than 50 employees) in rural areas. At the same time larger employers are proportionately more important than in urban areas, leading to fewer employment choices.
- Wage levels are lower, especially in parts of South Shropshire, Herefordshire, North Staffordshire and in the former mining areas of North Warwickshire. GVA per head of population is also low in the rural west; in Herefordshire in 2007 it was £15,200, in Shropshire £14,100, compared with a regional average of £17,000.
- The knowledge economy is less significant, particularly in the west of the region, demonstrating a paucity of higher value sectors.
- Those who live and work in rural areas generally earn less than those who commute to urban areas for work. This can mask considerable differential in rural incomes, for example in Bromsgrove District, close to Birmingham, the differential is £8000 per annum.
- Out migration of younger people seeking education and better employment quality and choice leads to an ageing population. This puts additional strains on health and other services. However, the proportion of young people (16-24 year olds) is increasing. They will have particular needs in gaining skills and qualifications, in obtaining employment and in motivation for work.
- Land based industries have great importance in maintaining a high quality landscape for the wider benefit of those in the region and others. Although 70% of the West Midlands' landmass is in agricultural production it provides only 3% of rural jobs.
- Remoteness can mean difficulty in accessing jobs and services for people. For small businesses it can affect supplies and distribution and result in weaker business networks.
- Manufacturing and services sectors bore the brunt of early redundancies in the recession. In the rural West Midlands manufacturing provides 14% of

employment, services such as banking and finance 17%.

- The public sector (25% of rural employment) will be seriously affected by Government austerity measures. Places such as Wem (43% of employment) or Pershore (33%) will be significantly hit.

### What needs to be done?

Given the right conditions and support, the resilience of rural businesses and communities can enable them to recover from recession more quickly than urban areas. People with higher level skills will be able to return to work sooner.

1. Make use of the Regional Growth Fund to support the creation of private sector jobs, particularly in areas currently heavily dependent on public sector employment.
2. Help small and micro businesses to overcome geographical isolation and weak business networks through local networking and the development of business clusters.

**Rural Enterprise Grant** is a capital programme funded under the Rural Development Programme for England (RDPE) for farmers and specific micro businesses in the West Midlands. It focuses on collaborative activity within the Environmental Technology, Food and Drink, Livestock, Tourism and Leisure and Social and Community Action sectors.

3. Foster diversity of employment growth including more knowledge intensive and other higher value businesses.
4. Help businesses and people to gain the right skills to increase competitiveness.
5. Support home workers to grow their businesses through business advice, better networking and access to finance.
6. Support businesses in capturing opportunities created through the green economy and resilience to climate change.
7. Help farmers improve their viability and production whilst benefitting the environment through development of higher technical skills, diversification and more

effective engagement with local food and drink industries.

**Clives Fruit Farm.** The Rural Enterprise Grant helped this award-winning Worcestershire business to fund improvements to its farm shop, including a new butchery counter to allow sale of its own reared beef. Future plans include expanding juice production to help increase sales to supermarkets and providing better facilities for visiting school groups.

8. Encourage the development of the social economy through improved links between business and local communities and the development of community interest companies and similar enterprises.
9. Ensure the viability and continuance of market towns as service hubs for businesses and the community, serving their rural hinterlands.

**Market Towns and self reliance.** Places like Leek or Kington are remote from large centres and have to develop a high degree of self reliance. Kington's Energy Descent Action Plan (EDAP) aims to achieve transition to low energy consumption through means such as the community identifying opportunities to reduce fossil fuel use, encouraging local food growing and consumption, reducing waste, introducing a local currency and skills development.

10. Address affordable housing provision to ensure the retention of people living and working in the rural parts of the region.
11. Ensure equity of access to high speed broadband access in rural areas in order to meet future business requirements.

### Further Information

For further information and evidence please see:

**Rural Evidence Base.** Research reports etc which provide an in-depth understanding of rural West Midlands. [Read more](#)

**Rural Evidence Base 2010.** Provides recent data to highlight key issues facing rural West Midlands. [Read more](#)

**West Midlands Regional Observatory.** Source of research, facts and figures about the West Midlands. [www.wmro.org](http://www.wmro.org)