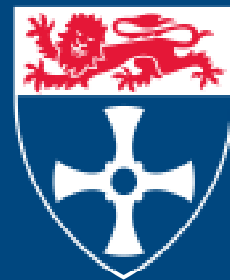


Measuring Rural Poverty.

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Introduction

- UK: Most rural areas are affluent, and rural poverty is scattered and hidden amongst general affluence.
 - Interactions between rich and poor are within rural places, structured around social class, gender, age and housing market.
 - Place-based interventions may be less appropriate.
 - Challenge of how to observe and quantify rural poverty.
- I'll outline some research attempting to do this:
 - CRC's 'State of the Countryside' and 'Rural Disadvantage'
 - British Household Panel Survey
 - SIMD in Argyll and Bute

Defining rural areas

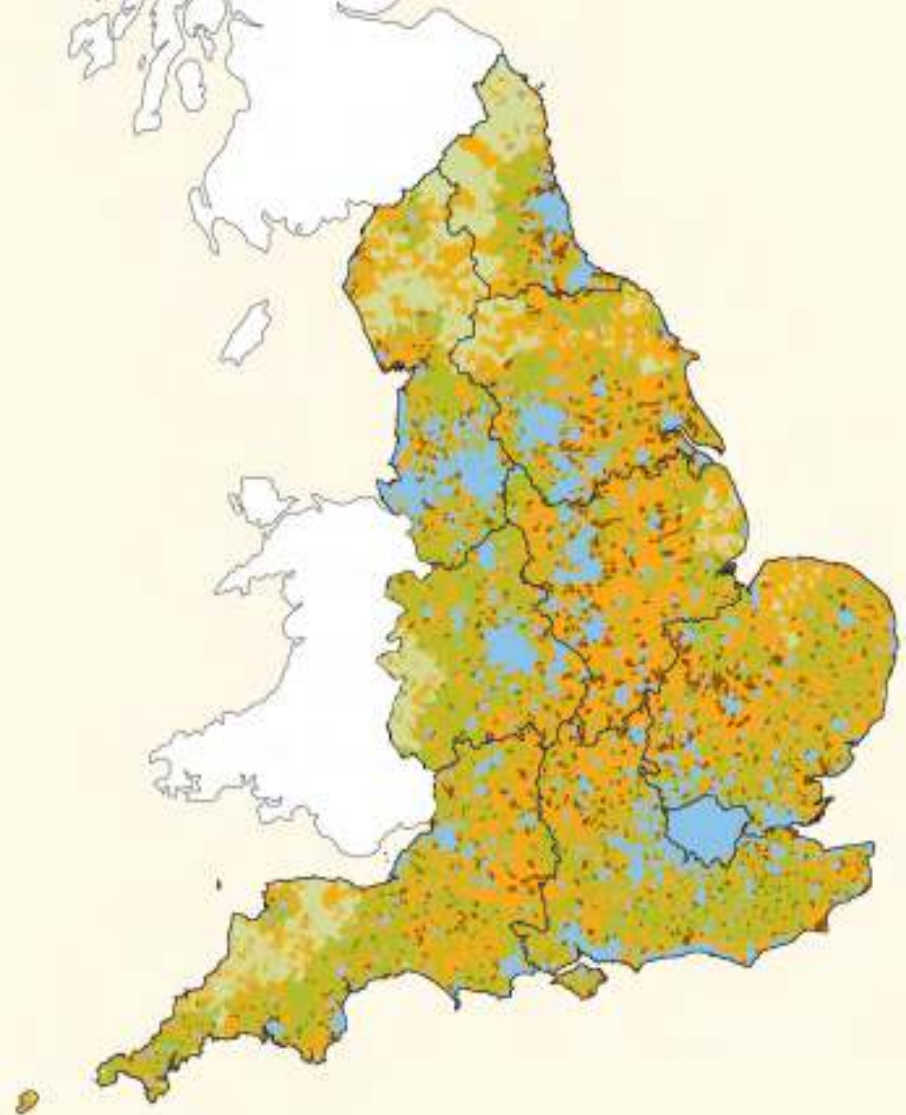
- In England the government defines Census output areas (OAs) as rural or urban, by size and population density:
 - Settlements of over 10,000 people are urban.
 - Rural settlements are split into 3 categories of ‘town and fringe’, ‘villages’, or ‘hamlets and isolated dwellings’.
 - Settlements are also defined as in ‘sparse’ or ‘less sparse’ areas
- A parallel definition is used for local authority areas.
- Scotland and Northern Ireland use different definitions.

For details see: www.statistics.gov.uk/geography/nrudp.asp

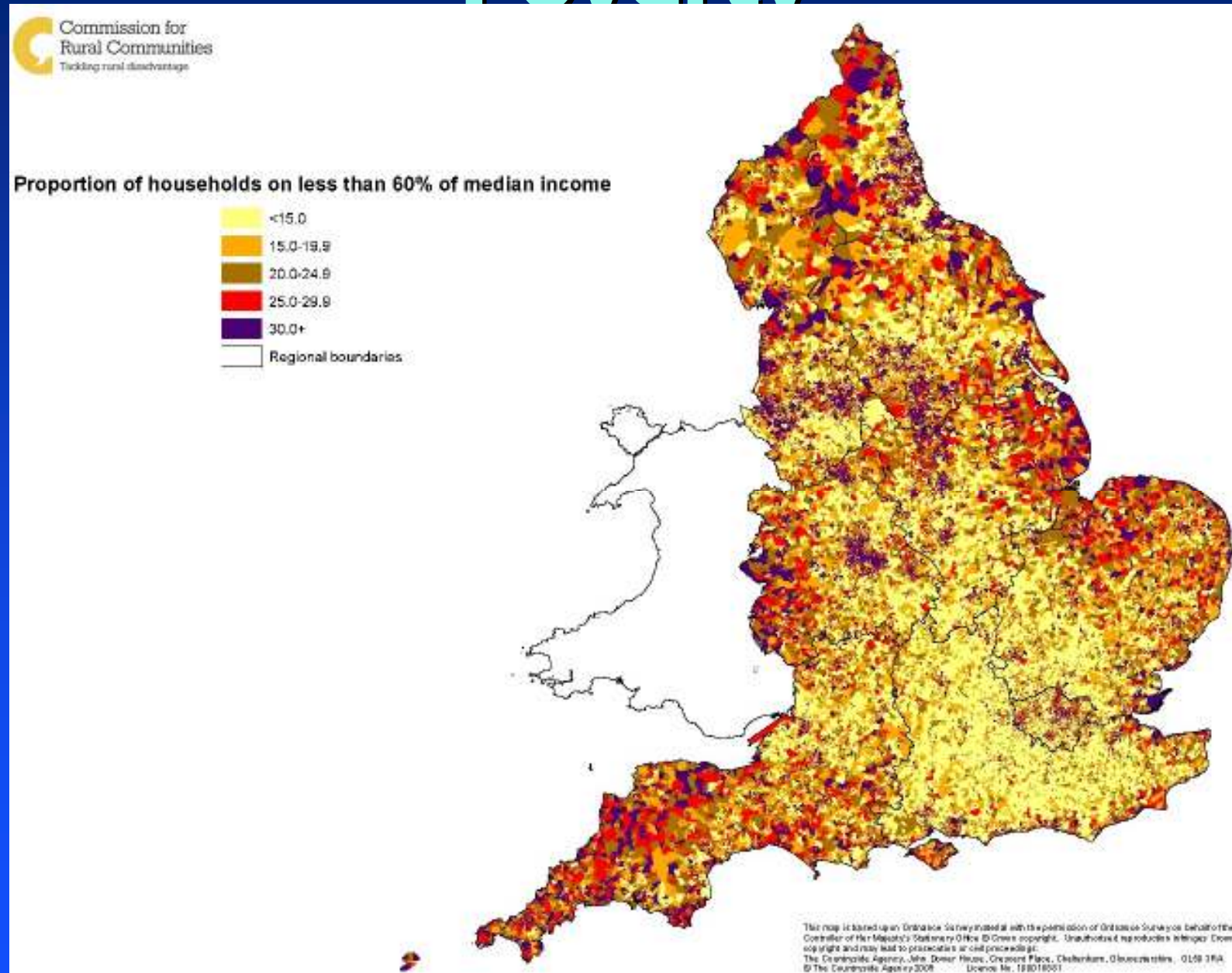
Rural England:

Source: ONS 2004.

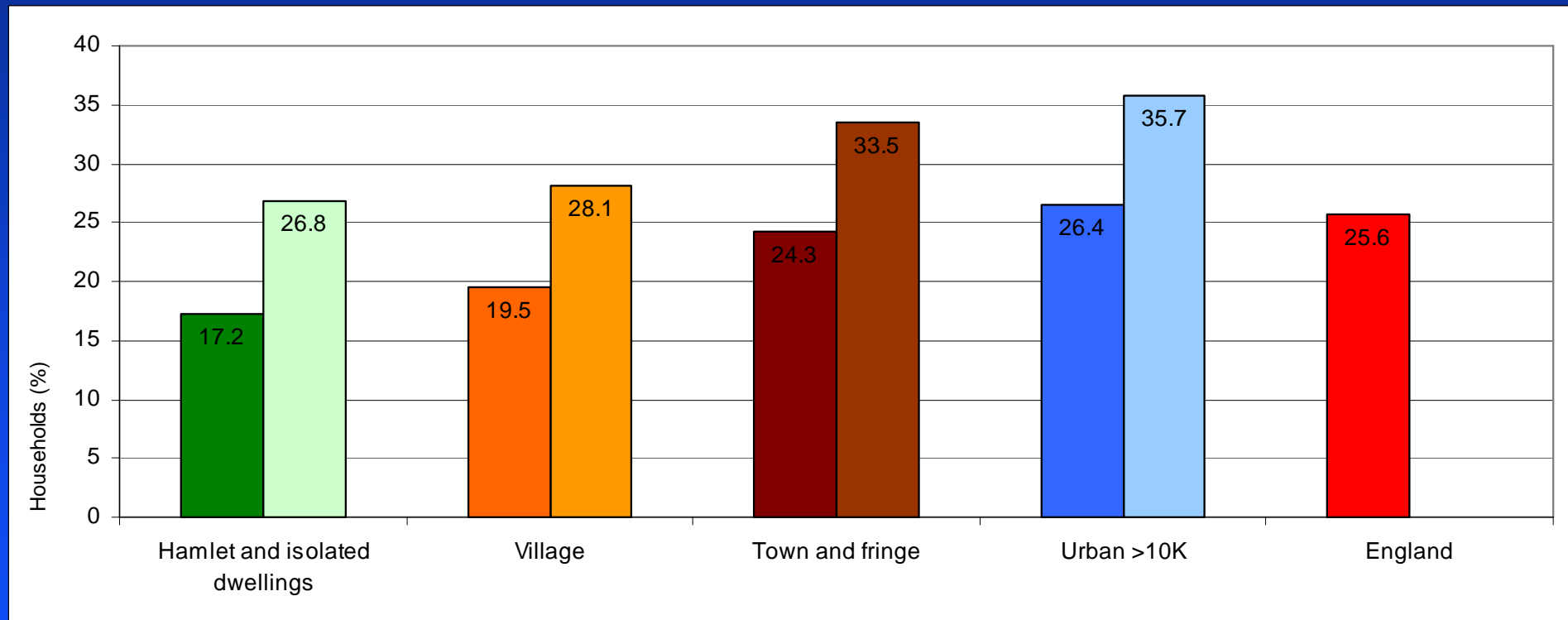
This definition has been applied to many datasets, so allowing rich analysis of rural – urban difference for a wide range of phenomena. See CRC's State of the Countryside reports. For example...



eg. Spatial Incidence of Poverty



Households in income poverty (<60% median income) 2006



Poverty is much greater in sparse areas (right hand columns)

“Counting the Poor”

- May be important for targeting of resources.
- But tendency towards “arithmetic of woe” and to set rural v urban : encourages a focus on the *distributional* rather than the *relational*?
- Instead can we explore the processes leading to poverty?
 - Analysis of longitudinal panel data in BHPS: ideally geo-refs would allow linking to other datasets.
 - Helpful if combined with qualitative methods.
 - Were the rural poor in 1981 the same rural poor as in 1971?

BHPS: Incomes and Poverty

- Hidden and dispersed poverty: short spells for young; and longer spells for older people, lone parents & unqualified workers.
- Perhaps lower incidence of poverty in rural areas, but 1 in 3 of rural people poor sometime 1991-96.
- Similar risks of poverty in urban and rural areas: elderly, children (23%) and women most susceptible.
- Prosperity imported and poverty exported thru selective migration.
- Main causes of entering poverty:
 - Loss of earned income (for those of working age) and low pay
 - Changes in benefit regulations (for those over 65)
- Older People: lifetime earnings and savings?...

Persistent Poverty in Old Age

Our analysis of the BHPS shows persistence of poverty in old age is much greater in remote areas...

| Spell length | Remote rural | | Accessible rural | | Non-rural | |
|--------------|--------------|-------|------------------|-------|-----------|-------|
| | under 65 | 65+ | under 65 | 65+ | under 65 | 65+ |
| 1 | 63.6% | 56.9% | 47.7% | 57.9% | 52.3% | 58.9% |
| 2 | 44.8% | 48.3% | 25.3% | 48.1% | 35.2% | 43.8% |
| 3 | 34.6% | 45.0% | 19.6% | 36.5% | 26.0% | 33.5% |
| 4 | 20.9% | 39.9% | 16.7% | 30.7% | 20.3% | 26.4% |
| 5 | 19.0% | 39.9% | 12.7% | 25.1% | 16.4% | 23.8% |
| 6 | 17.3% | 35.8% | 10.7% | 21.7% | 10.4% | 18.8% |
| 7 | 9.6% | 31.6% | 10.7% | 17.9% | 5.6% | 18.8% |
| 8 | 9.6% | 31.6% | 10.7% | 17.9% | 5.6% | 18.8% |

Employment and Low Incomes

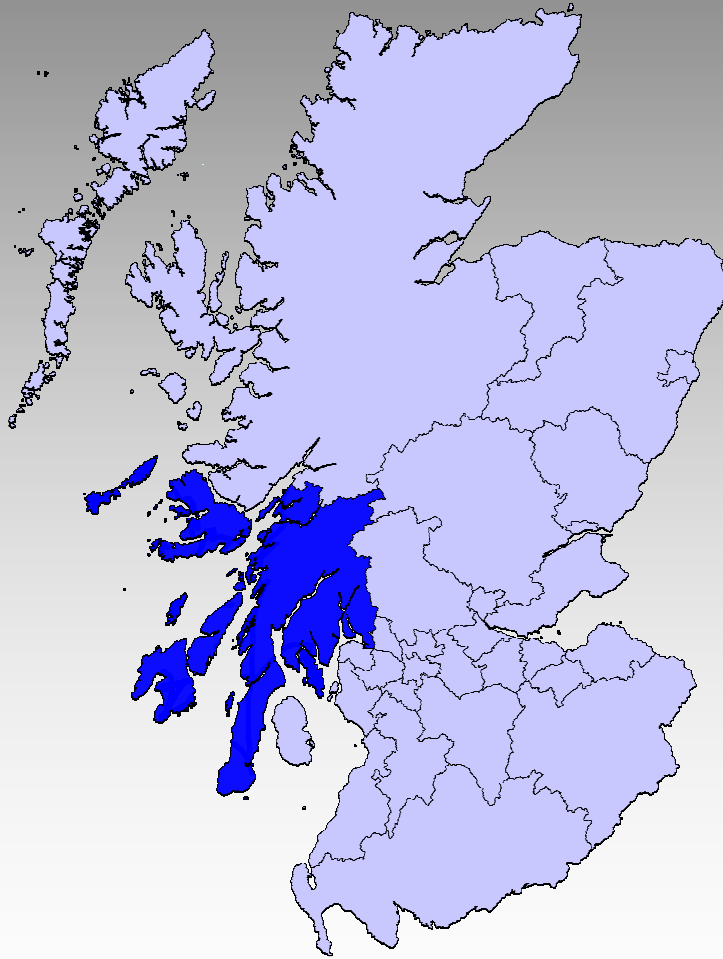
Of **working age** on low incomes in 1991-96 :

- 22% were in employment, with persistent low pay
- 23% were self-employed (cf. 8% in urban)
- 13% were unemployed
- 41% were permanently sick (mainly men) or family carers (mainly women) or other.

Since 1997, rather more poverty in work and fewer detached from the labour market.

We can also see the effects of introducing the NMW.

Argyll and Bute

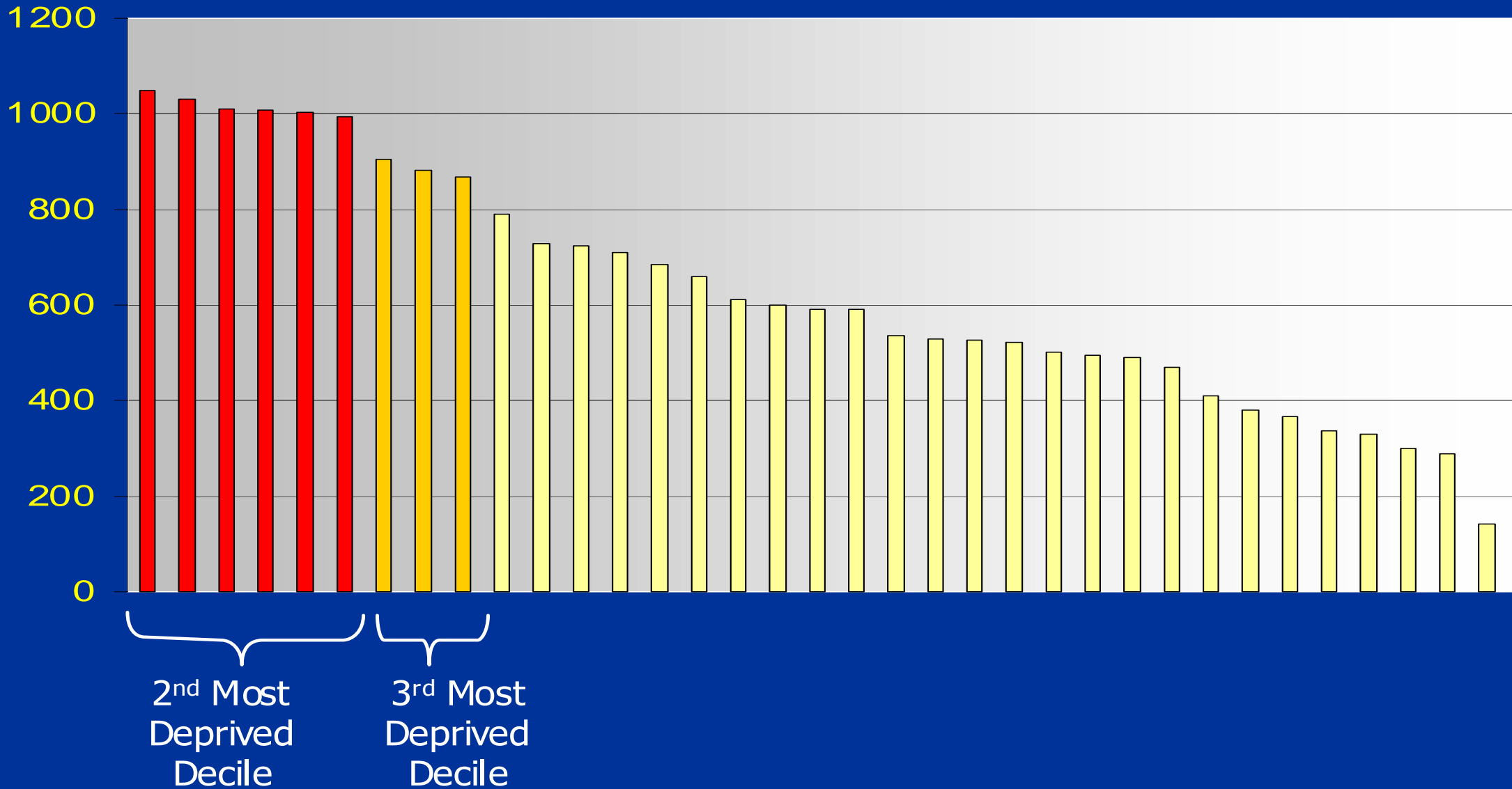


- Population 87 000
- Island and mainland populations
- 5 main settlements house 49% of population
Helensburgh (16 000),
Dunoon, Oban,
Campbeltown, Rothesay (5000)
- 19% live in smaller settlements (> 700)
- 32% dispersed over wide area

The SIMD

- Multi-dimensional, relative indicator of deprivation
- 5 domains:
 - Income (30% weight)
 - Employment (30%)
 - Health (15%)
 - education (15%)
 - access to services (10%)
- AB is 15th most deprived local authority in Scotland
- Low education deprivation, high access

Overall Deprivation Rankings for Wards



Concentration of Deprivation

| | % of population | % of people income deprived | % of all income deprived in A & B |
|---------------------|--------------------|-----------------------------|-----------------------------------|
| Most deprived 3 | 9% | 24% | 17% |
| 4- 6 most deprived | 8% | 22% | 14% |
| 7 – 9 most deprived | 6% | 17% | 8% |
| Remaining 23 | 77% | 10% | 61% |
| <i>All</i> | <i>100%</i> | <i>13%</i> | <i>100%</i> |

Overcoming difficulties with SIMD

Issues of Scale

- Small pockets of deprivation are not identified
- Boundaries obscure deprivation if split between wards
- Index is insensitive to typically diffuse rural poverty

So we modelled SIMD down to smaller areas (OAs) of around 50 people (20 households) in A&B...

- Used proxies from Census small area statistics
- This improved targeting considerably but still only 1 in 4 of people in most deprived OAs were low income.
- Is there still a role for area-based initiatives?

Suggestions from SIMD study

- Some key rural concerns were addressed in our recommendations for future development of the SIMD. These included:
 - benefit take-up rates: introduce correction factors?
 - higher costs of living: build in an allowance?
 - generalised travel costs: financial, not time costs?
 - inclusion of a measure of deprivation at individual level as well as an area-based measure?

These might be pursued further .

Conclusions

- Rural definition -> revealing analysis of many datasets.
- Longitudinal analysis of panel data can reveal dynamics and perhaps some of the underlying processes.
- Is SIMD the problem, or is it using to allocate resources?
- SIMD rests on quite a narrow idea of deprivation
- Several recommendations for improvement (above).
- The A&B study shows how the SIMD might be applied in rural areas at more appropriate spatial scales, and how this might be combined with other methods.
- It also confirms that area-based approaches will fail to target most rural deprivation.