RURAL POVERTY

Introduction

Rural Scotland accounts for 94% of the land mass within Scotland but only about a fifth of the population reside in rural areas. (Scottish Government 2011: 4). The experiences of poverty in urban and rural Scotland have both similarities and differences. Understanding the differences and complexities of rural poverty are crucial for effective anti poverty policy. This briefing sheet provides an overview of some of the key issues affecting rural communities and looks at future challenges.

The scale of poverty within rural Scotland is significant. Current statistics show that “160,000 people, every seventh person, are estimated to be living in income poverty” (McKendrick 2011:96). Rural Scotland has been subject to demographic and social changes such as an ageing population and population loss through “urbanisation trends driving populations out of more remote rural areas towards urban and accessible rural areas” (European Commission 2008:8).

Researching rural poverty is challenging. One key issue is obtaining data and evidence on the subject. Although several comprehensive reviews have been undertaken, issues have been raised regarding a lack of available data in several areas.

For example, the Scottish Index of Multiple Deprivation (SIMD) can only go part of the way to providing an analysis of rural poverty and deprivation (McKendrick et al 2011). Other indicators such as lack of car ownership are also insufficient due to higher levels of car ownership in rural areas, even amongst low-income households, because of lack of public transport (McSorley 2008: 6).

There are also gaps in qualitative information on experiences of rural poverty. For example there is a lack of information on how rurality impacts and is experienced and further analysis is required across equality strands such as gender and disability. (Jarvis & Gardner 2009:43).

Lack of evidence has also affected policies to tackle rural poverty. Anti-poverty policy in Scotland has been seen as having a predominantly urban focus and failing to address adequately the challenges faced by rural communities. Indeed a recent report exploring poverty and equality argued that “fuel poverty and transport policies fail to take into account the implications of living in some of Scotland’s most remote or Highland communities, which have very different rural experiences than other parts of the UK” (Jarvis and Gardner 2009:32). This briefing sheet will now go onto examine some key policy areas and how they impact on low-income households in rural communities.

Incomes and rural life

Access an income sufficient to allow a decent standard of living, whether from the benefits system or paid employment, is essential for all households, whether they are in urban or rural areas. Recent work by the Joseph Rowntree Foundation has focused on insufficient income by those living in rural areas within England. Although it does not include Scotland the research provides useful information on the challenges faced by those living on a low income in rural areas. The rural minimum income standard (MIS) shows that those living in rural areas typically need to spend “10-20% more on everyday requirements than those in urban areas” (Hirsch et al 2011: 1). In addition, the level of income needed for a sufficient standard of living is also higher. For example, single working age adults would need to “earn at least £15,600 a year in rural towns, £17,900 a year in villages and £18,600 in hamlets or remote countryside compared with £14,400 in urban areas (Hirsch et al 2011: 1).

Several factors contribute to higher living costs such as “house prices, fuel costs, transport costs and food” (McSorley 2008:5). These issues affect those both in and out of work. Research on benefit adequacy, found that benefits would not stretch as far in rural areas compared to urban settings (EKOS 2009: 29). For some groups managing on a low income was particularly difficult such as people with disabilities, households with children, and single parents (EKOS 2009).

Employment, Low Pay and Rural Scotland

Employment in rural Scotland is under increased pressures because of the recession, slow economic recovery and austerity measures. People in rural areas are more dependent on public sector employment and are therefore more vulnerable to public sector cuts. The latest data show that “the public sector accounts for a fifth of employment in rural areas” (Scottish Government 2010). The significance of other sectors within rural economies is dependent on the type of rural area. For example, in accessible rural areas significant sectors are agriculture, forestry and fishing
(12%) manufacturing (12%) and financial intermediaries (12%). In remote rural areas agriculture, forestry and fishing represent 17% with hotels and restaurants around 13% (Scottish Government 2010).

In addition, figures also illustrate that many living in rural areas will have more than one job. The percentage of “people in remote rural areas who have a second job (8%) is higher than in accessible rural areas or in the rest of Scotland (5% and 4% respectively)” (Scottish Government 2010).

Low pay is also a key concern within rural Scotland. Research has shown that “average earnings are lower in rural areas than in the rest of Scotland” (McSorley 2008: 4). Low pay within rural Scotland also has gendered aspects. Women will often be balancing part time work with caring responsibilities and part time work within rural areas is usually low paid (McKendrick 2011). This is in addition to higher living costs for example transport costs. Research on low paid work found that “that the four local authority areas with the highest proportion of low paid workers between 2007 and 2009 were Clackmannshire, the Highlands and Islands, Dumfries and Galloway and Moray” (Strauss 2010: 1).

In addition work within rural Scotland is often “seasonal, temporary or part-time due to the business base in most rural areas depending heavily on tourism, food processing and primary production” (TPELN, 2011). In addition, delivering employability services to assist those not in the labour market may be more difficult due to the lack of detailed data through data sources used in urban areas such as the SIMD (TPELN, 2011). Costs of providing services across smaller and more dispersed populations increases the cost of provision.

**Accessing services within rural areas**

Accessing services, crucial for both urban and rural areas, is more difficult for rural areas. Remoteness is critical factor shaping experiences within rural communities (European Commission 2008: 9). For example, limited supply of relevant services coupled with higher transport costs or the means to access them in alternative locale.

This can have detrimental impacts on experiences of low-income groups who may be limited to services being predominately urban based and focused.

This can apply across a range of services such as “services for the elderly, child care facilities for female workers” (European Commission 2008: 9).

There are significant differences “in the percentages of people who find public transport services convenient when comparing remote rural (54%), accessible rural (60%) and rest of Scotland residents (85%)” (Scottish Government 2010: 19).

Research by SCVO (2008) shows the availability and costs of public transport are critical in rural areas in terms of accessing and sustaining employment, accessing healthcare and for social interaction. In addition evidence on rural poverty and disability from the 2011 Scottish Assembly, highlighted the barriers for low income households when engaging with crucial services such as employability support (Poverty Alliance 2011: 46).

Evidence shows that access to key health services such as GPs, hospitals and dentists, is more difficult for those living in rural areas. In addition there are issues facing communities in terms of what services are provided. Medical training has an emphasis on specialisms that are unsuitable for rural areas where there is greater need for more generalized provision (Farrington 2010: 35).

For equality groups, there can also be additional barriers. Research found that for some minority ethnic groups living on a low income, accessing specific services such as English language provision was more difficult due to “insufficient provision and an inability to access current provision because of childcare responsibilities or shift work and long hours” (De Lima et al 2011: 37). For older people and disabled people, low income combined with inadequate transport and service provision can limit their daily activities. In turn this can have key impacts on mental health and isolation (EKOS 2009: 4). Work conducted on rural isolation found that are lower numbers of services available for mental health in rural areas than in urban areas (Leisure Futures 2010:17).

Changes in provision of services have also disproportionately affected rural areas. Research conducted by Unite argued that due to centralisation of services in both the public and voluntary sector, those living in rural areas will often have to travel longer distances than previously (Unite 2011: 1).
Rural poverty is often more hidden than urban poverty and experience may be shaped by less visible factors such as cultural issues. As, McKendrick argues “Independence and self-sufficiency are more highly valued in rural areas making it more likely that unmet need is unknown need to policy makers and service providers” (McKendrick et al 2011:9).

Fuel poverty in rural areas

One key issue affecting low-income households in rural areas is fuel poverty. Fuel poverty is defined as spending 10% or more of your income on fuel. Several factors contribute to higher fuel poverty in rural areas: poorer quality housing, higher fuel costs through not being connected to mains gas supplies, and lower disposable household income all play a role. (Energy Action Scotland 2011).

Figures from 2009 show that around 45% of rural households can be defined as fuel poor and 20% suffering extreme fuel poverty. Rural households are more than twice more likely to be in extreme fuel poverty than urban households (Poverty Alliance 2011: 9).

In addition, specific types of households or types of rural areas may be more vulnerable to fuel poverty. For example the Scottish islands “have some of the highest levels of fuel poverty in the UK with 58% of households in the Western Isles and 44% in the Orkney Isles being fuel poor (Energy Action Scotland et al 2011:34). Higher levels of consumption due to inadequate house insulation, especially in older houses also play a factor in causing higher levels of fuel poverty (McKendrick et al 2010: 9).

Fuel prices have risen significantly within the last few years. The 2010 Consumer Price Index (BBC 2011) showed that gas and electricity bills rose by 18.3% on the previous year. Specific types of fuel such as heating oil and off the grids main gas were of concern for households in rural areas. (Energy Action Scotland et al 2011: 23).

Transport fuel costs also impact in other ways. Accessing services or employment will often have a double impact in costs for example the “double-hit of higher transport fuel costs due to the higher cost of fuel and the greater volume of fuel that must be consumed to cover the greater distances that have to be travelled to reach work and services” (McKendrick et al 2011: 10). Those who live in rural Scotland “are more likely, than those in the rest of Scotland, to spend over £100 per month on fuel for their cars. Over 50% of inhabitants of rural areas report to spending over £100 per month on fuel” (Scottish Government 2010).

Housing

Access to housing is a critical policy issue within rural Scotland. Affordability and availability shape access to rural housing. Research has shown that “rural housing remains less affordable than in urban areas where average prices are 5.4 times the UK average annual earnings in the countryside” (Countryside Alliance 2011). At a Scotland level we find that “higher prices combined with lower average earnings (expressed as a price to earnings ratio) means that housing is less affordable in rural areas” (McSorley et al 2009:12).

Housing issues affect those in both private and social housing. There is a lower level of social housing available for those living in rural areas than in urban areas (McSorley et al 2009:12). Availability has also been subject to other pressures in the rural housing market. A significant amount of properties are used for holiday homes limiting the volume of accommodation available. Holiday homes represent 11% of houses in remote rural areas; whilst empty properties represent 5% of housing (Rural Housing Service website).

Instability in pay also shaped access to housing. For example insecurity in employment and higher levels of temporary or seasonal contracts make it more difficult to access long term housing.

Conclusion

This briefing paper has highlighted that rural communities are facing a difficult context, and that poverty remains an important dimension of rural life, albeit one that is often hidden and poorly addressed. Increased challenges and changing populations mean that policy will need to be more flexible when addressing the needs of those experiencing poverty. This paper has shown that there is a need for greater evidence and analysis to understand rural poverty within Scotland. A wide range of issues influence and shape experiences of rural poverty including the nature of the labour market, income adequacy, affordable and accessible housing, fuel poverty and access to services. The complex and interlinked nature of these issues will need to be subject to further research and analysis in order to have a stronger evidence base for policymaking and service providers to tackle poverty within rural communities.
Bibliography


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