



Mapping Rural Socio-Economic Performance (SEP)

Report for Rural Communities Team, Food, Drink and Rural Communities
Division, The Scottish Government

May 2015

Andrew Copus and Jonathan Hopkins

Social, Economic and Geographical Sciences Group
The James Hutton Institute, Craigiebuckler, Aberdeen

Contact: andrew.copus@hutton.ac.uk

Funding: J101915 – PAWSA Support Delivery of LEADER

This work was funded by the Scottish Government. However, the views expressed in this report are those of the researchers and do not necessarily represent those of the Scottish Government or Scottish Ministers.

EXECUTIVE SUMMARY

Background and context

There is both an immediate policy context, and a broader background for this report. Its commissioning was prompted by the need for an evidence base, in terms of rural socio-economic performance, to support decisions about how to target support to small businesses in different parts of rural Scotland, through the 2014-20 LEADER programme. From a broader perspective the indicators, maps and analysis provide a series of snapshots of different aspects of rural and small-town Scotland at the beginning of the second decade of the twenty-first century. They show that rural areas and small towns display complex patterns of performance, rather different from the stereotypical view of lagging uniformity. There are many kinds of rural area in Scotland, each with a different mix of local assets and consequently different socio-economic performance profiles. This does not mean, however, that it is impossible to generalise. The most important dimension of differentiation is between rural areas and small towns which are accessible to major urban areas, and those which are more remote.

Key Findings:

- The strategic objectives of the National Performance Framework are the starting point for a socio-economic performance (SEP) index of rural and small town data zones. The index combines 20 indicators, mostly dated 2011, in a relatively simple and transparent way. Thematic indices for the first four strategic objectives (wealthier/fairer, healthier, safer/stronger, and smarter) are also estimated and mapped at the data zone level.
- All four thematic indices are positively related to each other to some extent; they do not cancel each other out. However the pattern of inter-relationships is interesting. The wealthier/fairer and smarter thematic indices are relatively strongly correlated – i.e. data zones with a more highly educated population tend to be wealthier and to have lower levels of inequality. Data zones with healthier populations tend to perform better on the safer/stronger objective, suggesting a nexus of well-being. However neither aspect of well-being is closely related to the wealthier/fairer index; i.e. well-being is to some extent independent of economic performance.
- Using the 6-fold urban-rural classification of data zones as a “filter” reveals two kinds of geographic pattern among the four thematic indices. The wealthier/fairer index shows higher performance in small towns than in rural areas, and higher performance in accessible data zones (whether small town or rural) compared with remote ones. For the remaining three strategic objectives (healthier, safer/stronger and smarter), the rural/small town difference is reversed

(i.e. rural data zones tend to outperform those of small towns), though accessible data zones of both types still perform better than remote ones. One way to characterise this pattern is that in hard economic terms small towns out-perform rural areas, but in softer aspects of health, human and social capital, rural areas seem to have the edge. Underlying both these contrasts is the pervasive advantage of accessibility. As the unweighted average of the four strategic objective indices, the overall SEP Index exhibits a hybrid pattern. The strongest performing group of data-zones are the accessible rural ones. At the other extreme, the poorest performance is associated with remote small towns. The accessible small towns and the remote rural data zones occupy intermediate positions.

- The maps of the four strategic objective indices all (though to differing degrees) reveal bands of higher performing data zones surrounding the Central Belt, Aberdeen and Inverness. Poor performing data zones are generally found in the Northern and Western Isles and in the NW Highlands, but also (conspicuously) in Dumfries and Galloway. Pockets of poor performance are found in the former coalfield and heavy industrial areas of the Central Belt, Lanarkshire, Ayrshire and Fife. The overall SEP Index map thus captures two dimensions of spatial variation in performance; accessibility-remoteness and structural legacy effects.
- Aggregation of the performance scores to the 21 LEADER Programme Local Action Group (LAG) areas has been carried out by calculating (population) weighted averages. The best performing LAG areas were found to be Aberdeenshire South, Greater Renfrewshire and Inverclyde, Forth Valley and Lomond, Rural Perth and Kinross and Aberdeenshire North. At the other end of the distribution were Ayrshire, Dumfries and Galloway, Outer Hebrides, West Lothian and Argyll and the Islands. All these low performing LAGS have more than 65% of their population living in data zones which scored 5 or less on the overall SEP Index.

Conclusions

In terms of the immediate policy requirement, for a basis for allocating LEADER funds according to current performance, the SEP Index represents a simple, transparent, but nevertheless robust, evidence-grounded means of comparing the 21 Leader LAG areas. Expressed in the form of the percentage of population living in data zones with lower scores the index may readily be incorporated into a funding distribution formula.

The analysis also suggests conclusions about the geography of rural performance, involving a combination of legacy effects and new trends, which are significant in themselves. The former relate both to peripheral, insular and sparsely populated areas, and to mining/industrial areas still facing a need to restructure their economies. At the other extreme is the strong positive performance of

accessible rural areas, many of which are out-performing the larger urban areas of Scotland. It is not clear whether this is due to “spread” effects due to congestion in nearby urban areas, or to the intrinsic attractiveness of accessible rural areas in terms of well-being and access to countryside public goods. It is important to distinguish these processes since they point to different policy responses.